

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Minutes- Board of Directors

June 23, 2006

A Regular Meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District met on Friday, June 23, 2006 at the Santa Cruz City Council Chambers, 809 Center Street, Santa Cruz, CA.

Chair Rotkin called the meeting to order at 9:03 a.m.

SECTION 1: OPEN SESSION

1. ROLL CALL:

DIRECTORS PRESENT

Jan Beautz (arrived after roll call)
Dene Bustichi
Michelle Hinkle
Mike Keogh
Kirby Nicol
Emily Reilly
Mike Rotkin
Dale Skillicorn
Pat Spence
Mark Stone
Marcela Tavantzis

DIRECTORS ABSENT

Ex-Officio Wes Scott

STAFF PRESENT

Ciro Agguire, Operations Manager
Mark Dorfman, Assistant General Manager
Mary Ferrick, Base Superintendent
Margaret Gallagher, District Counsel
Steve Paulson, Paratransit Administrator

Elisabeth Ross, Finance Manager
Robyn Slater, Human Resources Manager
Tom Stickel, Maintenance Manager
Les White, General Manager

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

Scott Galloway, Mgmt Retirees
Ian McFadden, SEA
Paul Marcelin-Sampson, MAC
Thomas Phillips, Bus Operator
Bev Poteete, UTU Retiree
Will Regan, VMU

Emery Ross, Mgmt Retiree
Paul Schraeder, Mgmt Retiree
Katherine Stockton, UCSC Student
April Warnock, ParaCruz
Amy Weiss, Spanish Interpreter

2. ORAL AND WRITTEN COMMUNICATION

Written:

- | | | | |
|-----------|--------------------------------|------------|--|
| a. | Ken Holstein | Re: | Aptos Bus Stop |
| b. | Jane Simpson | Re: | Soquel Bus Stop |
| c. | <u>Betty Vierra</u> | Re: | <u>Transportation Funding Task Force Comments</u> |
| d. | <u>Doug Center</u> | Re: | <u>Retiree Medical Premiums</u> |
| e. | <u>Ed van der Zande</u> | Re: | <u>Retiree Medical Premiums</u> |

Oral:

Katherine Stockton, UCSC Student, reported that she and four other students of the Environmental Studies Program did a study for their senior project on whether low-income communities in Watsonville find METRO's bus services adequate and accessible. Ms. Stockton distributed the report to the Board, which is attached to the file copy of these minutes. The study found that Watsonville is not equitably served by METRO compared to Santa Cruz and also gave recommendations. Ms. Stockton also offered to email to METRO a 60-page document of the study findings.

DIRECTOR BEAUTZ ARRIVED

Director Nicol gave a follow-up report on the Bay & Rosedale bus stop issue that was brought up at the last Board Meeting. Director Nicol reported that Tom Stickel had suggested that the stop be relocated to the corner of Bay and Monterey, which the Capitola City Council has approved.

Bev Poteete, UTU Retiree, expressed concern over the retiree medical rate increase and feels it is a breach of contract. Ms. Poteete urged the Board to reinstate retiree medical coverage at the level retired under.

Emery Ross, Management Retiree, expressed concern over the retiree medical issue and suggested that retirees meet every six months in order to receive a stipend that would offset the medical premiums. Mr. Ross said he looks forward to meeting with management on this and said he would be available today on the informational picket line on Encinal Street.

Scott Galloway, Management Retiree, read a letter to the Board, which is attached to the file copy of these minutes, expressing his concern over the retiree medical issue. Mr. Galloway urged the Board to treat retirees with respect and renew its commitment to provide for their medical insurance.

Paul Schraeder, Management Retiree, read a letter to the Board, which is attached to the file copy of these minutes, expressing his concern over the retiree medical issue. Mr. Schraeder urged the Board to take a proactive position of protecting METRO's retired employees by continuing to pay for their medical benefits.

3. LABOR ORGANIZATION COMMUNICATIONS

Bonnie Morr, UTU, reiterated the retirees' comments. Ms. Morr said she was very concerned about this issue and that it impacts active employees as well.

4. **ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS**

Page #5-3.1 and a supplemental Staff Report for Item #8 were distributed at today's meeting.

SECTION I:

OPEN SESSION:
ADD TO ITEM #2

ORAL AND WRITTEN COMMUNICATION
(Insert new Written Communication)

CONSENT AGENDA:
ADD TO ITEM #5-1

APPROVE REGULAR BOARD MEETING MINUTES OF APRIL 14 &
28 AND MAY 12 & 26, 2006
(Insert Minutes)

ADD TO ITEM #5-3

ACCEPT AND FILE MAY 2006 RIDERSHIP REPORT
(Insert Page 4. Page 1 will be distributed at the meeting)

INSERT ITEM #5-6

ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR
MARCH 2006 AND APPROVAL OF BUDGET TRANSFERS
(Insert Staff Report)

INSERT ITEM #5-7

ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR MARCH
2006
(Insert Report)

INSERT ITEM #5-9

ACCEPT AND FILE UNIVERSITY OF CALIFORNIA, SANTA CRUZ
SERVICE UPDATE FOR MONTH OF APRIL 2006
(Insert Report)

INSERT ITEM #5-12

ACCEPT AND FILE PROGRESS REPORT ON THE STATUS OF
METRO'S WORKERS' COMPENSATION PROGRAM ONE YEAR
AFTER METRO'S TRANSITION TO ITS CURRENT THIRD PARTY
ADMINISTRATOR
(Insert Staff Report)

DELETE ITEM #5-16

CONSIDERATION OF APPOINTMENT OF NAOMI GUNTHER TO
THE METRO ADVISORY COMMITTEE (MAC) BY DIRECTOR
ROTKIN TO FILL VACANCY OF JEFF LE BLANC
(Deleted: Action taken at the June 9, 2006 Board Meeting)

ADD ITEM #5-17

**CONSIDERATION OF APPROVAL OF MODIFICATIONS TO THE
PARATRANSIT OPERATOR CLASS SPECIFICATION**
(Insert Staff Report)

REGULAR AGENDA:
ADD TO ITEM #7

CONSIDERATION OF **RESOLUTION** APPROVING FY 06-07 AND FY
07-08 FINAL BUDGET
(Insert Supplemental information)

INSERT ITEM #9

CONSIDERATION OF RESPONSE TO RECOMMENDATIONS OF
THE PARATRANSIT COORDINATION TASK FORCE
(Insert Staff Report)

- INSERT ITEM #10** **CONSIDERATION OF MODIFICATIONS TO THE PARATRANSIT PLAN REFERRED TO AS THE PARACRUZ CUSTOMER GUIDE
(Insert Staff Report)**
- DELETE ITEM #11** **CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT FOR SCHEDULE OPTIMIZATION AND TRAINING IN HASTUS 2006
(Deleted: Will be included on a future Board Agenda)**
- DELETE ITEM #12** **CONSIDERATION OF ADOPTION OF AN OPERATING BUDGET FRAMEWORK FOR FY 2007 – FY 2011
(Combined with Item #13)**
- INSERT ITEM #13** **CONSIDERATION OF ADOPTION OF AN OPERATING BUDGET FRAMEWORK AND A MAJOR CAPITAL PROJECTS PLAN FOR FY 2007 – FY 2011
(Insert Staff Report)**
- DELETE ITEM #14** **CONSIDERATION OF DETOUR OPTIONS FOR HIGH STREET CLOSURE DUE TO CONSTRUCTION
(Deleted: Action taken at the June 9, 2006 Board Meeting)**
- ADD ITEM #15** **CONSIDERATION OF APPROVAL OF MODIFICATIONS TO THE BYLAWS OF THE METRO ADVISORY COMMITTEE TO PROVIDE FOR STAGGERED TERMS FOR MEMBERS AND TO CLARIFY CONDITIONS FOR MEMBERSHIP CONDITIONS
(Insert Staff Report)**
- ADD ITEM #16** **ACCEPT REPORT REGARDING SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION'S TRANSPORTATION FUNDING TASK FORCE
(Insert Written Material)**

CONSENT AGENDA

- 5-1. **APPROVE REGULAR BOARD MEETING MINUTES APRIL 14 & 28 AND MAY 12 & 26, 2006**
- 5-2. **ACCEPT AND FILE PRELIMINARILY APPROVED CLAIMS FOR THE MONTH OF MAY 2006**
- 5-3. **ACCEPT AND FILE MAY 2006 RIDERSHIP REPORT**
- 5-4. **CONSIDERATION OF TORT CLAIMS: None**
- 5-5. **ACCEPT AND FILE THE METRO ADVISORY COMMITTEE (MAC) AGENDA FOR JUNE 21, 2006**
- 5-6. **ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR MARCH 2006 AND APPROVAL OF BUDGET TRANSFERS**
- 5-7. **ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR MARCH 2006**
- 5-8. **ACCEPT AND FILE PARACRUZ OPERATIONS STATUS REPORT FOR THE MONTH OF MARCH 2006**
- 5-9. **ACCEPT AND FILE UNIVERSITY OF CALIFORNIA, SANTA CRUZ SERVICE UPDATE FOR MONTH OF APRIL 2006**

- 5-10. **ACCEPT AND FILE MINUTES REFLECTING VOTING RESULTS FROM APPOINTEES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR THE MAY 2006 MEETING**
- 5-11. **ACCEPT AND FILE METROBASE STATUS REPORT**
- 5-12. **ACCEPT AND FILE PROGRESS REPORT ON THE STATUS OF METRO'S WORKERS' COMPENSATION PROGRAM ONE YEAR AFTER METRO'S TRANSITION TO ITS CURRENT THIRD PARTY ADMINISTRATOR**
- 5-13. **CONSIDERATION OF RENEWAL OF PROPERTY INSURANCE COVERAGE FOR FY 06-07**
- 5-14. **CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A RENEWAL OF CONTRACT WITH CECY INSURANCE SERVICES REPRESENTING STANDARD INSURANCE COMPANY FOR EMPLOYEE LIFE & ACCIDENTAL DISMEMBERMENT INSURANCE**
- 5-15. **CONSIDERATION OF CONFIRMING A CONSTRUCTION CHANGE ORDER FOR ARNTZ BUILDERS IN THE AMOUNT OF \$821.69**
- 5-16. **DELETED: ACTION TAKEN AT THE JUNE 9, 2006 BOARD MEETING**
(CONSIDERATION OF APPOINTMENT OF NAOMI GUNTHER TO THE METRO ADVISORY COMMITTEE (MAC) BY DIRECTOR ROTKIN TO FILL VACANCY OF JEFF LE BLANC)
- 5-17. **CONSIDERATION OF APPROVAL OF MODIFICATIONS TO THE PARATRANSIT OPERATOR CLASS SPECIFICATION**

Director Beautz requested that the Dropped Service Report on page #5-3.4 be formatted differently going forward to make it easier to understand. Les White directed Ian McFadden to meet with Director Beautz on this.

Regarding Item #5-15, Director Keogh asked if the \$821.69 change order would be charged to RNL Design, the architectural firm. Les White replied that it is a valid expense that should be paid to Arntz Builders, but the question is whether RNL is responsible for it.

Chair Rotkin stated that the motion would include approving the Change Order and authorizing Staff to recover the Change Order amount from RNL if it is determined that RNL is responsible, with Staff to report back to the Board on this.

Regarding Item #5-13, Director Nicol asked if the insurance brokerage was questioned about the 5% increase over last year's premium. Elisabeth Ross replied that 3 different quotes were received and that the property coverage value was increased, which would account for the rate increase.

ACTION: MOTION: DIRECTOR NICOL SECOND: DIRECTOR REILLY

Approve the Consent Agenda; Approve the \$821.69 Change Order in Item #5-15 and authorize Staff to recover this amount from RNL if it is determined that RNL is responsible, with Staff to report back to the Board on this issue

Motion passed unanimously with all Directors present.

REGULAR AGENDA

6. PRESENTATION OF EMPLOYEE LONGEVITY AWARDS

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

TEN YEARS

Thomas Phillips, Bus Operator
Robert Allen, Bus Operator
Peter Lewis, Bus Operator
Manuel Ramirez, Bus Operator

Les White announced that Mary Ferrick had recently been appointed as METRO's new Base Superintendent, replacing Judy Souza who retired after over 32 years of service.

7. CONSIDERATION OF RESOLUTION APPROVING FY 06-07 AND FY 07-08 FINAL BUDGET

Summary:

Elisabeth Ross reported that today's Board Packet contains an updated recommendation and supplemental report. Ms. Ross pointed out a typo on page #7.d3 where \$2,221.00 is omitted from the top line labeled District Service Awards for FY 07-08. Although this number is omitted on the attachment, it is included in the budget.

Discussion:

Les White clarified for Vice Chair Tavantzis that METRO would maintain the hourly rate of any shuttle agreements already in place.

ACTION: MOTION: DIRECTOR STONE SECOND: DIRECTOR REILLY

Adopt Resolution approving the Final Budget for FY 06-07 and FY 07-08 as presented by Staff in Attachment B; Authorize Board member travel in FY 06-07 as described in Attachment C; Approve the Employee Incentive Program as presented in Attachment D; Authorize staffing levels as listed in Attachment E; and Authorize the shuttle billing rate for FY 06-07 at \$68.00 per hour

Director Nicol stated that he would not be voting for this item because he believes the Board has a responsibility to direct Staff to prepare a balanced budget without carrying over a deficit and borrowing from reserves each year.

Chair Rotkin explained that the choice is to either make cuts at the beginning of each year only to be added back in mid-year when anticipated funds are actually received, or to trust Staff's projections. Director Keogh stated that he does not remember ever not having a balanced budget at year-end. Les White added that due to the carry-over each year, METRO has not had to

borrow from reserves the last two years and that Staff's five-year budget plan balances the budget in the third year.

Motioned passed by roll call vote with Directors Beautz, Bustichi, Hinkle, Keogh, Reilly, Rotkin, Skillicorn, Spence, Stone, and Tavantzis voting yes and with Director Nicol voting no.

8. CONSIDERATION OF RESPONSIVE COMMENTS TO DEPARTMENT OF TRANSPORTATION'S (DOT) NOTICE OF PROPOSED RULEMAKING DATED FEBRUARY 27, 2006 RE REQUEST FOR COMMENTS ON OTHER ISSUES

Summary:

Margaret Gallagher reported that the supplemental report distributed today incorporates input from the Board, MAC and the public regarding comments requested by the Department Of Transportation in its Notice of Proposed Rulemaking (NPRM) dated February 27, 2006. Final responses are being prepared for consideration by the Board at its first meeting in July to meet the response deadline of July 28, 2006. No action is required today.

Discussion:

Director Keogh stated that he feels MAC has done an extraordinary job in providing feedback to the Board and asked Ms. Gallagher for clarification on denied trips. Ms. Gallagher replied that the agency might not have a vehicle available for the first segment of a customer's trip, although it is able to provide service for the remaining segments later in the same day. Les White added that there currently is an unbalanced standard regarding counting missed and denied trips, which is why METRO is suggesting that a study be performed on this issue. If four trip segments are scheduled and the agency denies the first segment, it is counted as four denied trips. If the customer misses all four segments, it is counted as one missed trip.

9. CONSIDERATION OF RESPONSE TO RECOMMENDATIONS OF THE PARATRANSIT COORDINATION TASK FORCE

Summary:

Steve Paulson reported that during the Spring of 2004 the RTC established the Paratransit Coordination Task Force (PCTF) to address issues regarding the network of specialized transportation services in Santa Cruz County. At the conclusion of the meetings, recommendations that were identified by the PCTF as METRO's responsibility were forwarded to METRO for comment. MAC reviewed these recommendations and presented their recommended responses to the Board in March 2006. Staff recommends forwarding the responses from both MAC and Staff, as presented in the Staff Report.

Mr. Paulson reported that there were two areas that would benefit from further review: 1) how METRO promotes and provides mobility training, and 2) how customer service information is provided.

Several of the PCTF recommendations, especially those related to eligibility determination, program oversight, and service integration could have very dramatic economic consequences for METRO.

Discussion:

Paul Marcelin-Sampson stated that he was present to answer any questions about the MAC recommendations in the absence of Bob Yount, MAC Chair and Norm Hagen, MAC Vice Chair.

Chair Rotkin stated that he feels it is critical that METRO take a sharper position and send a clear, strong message of opposition regarding the more controversial or problematic recommendations.

Director Nicol asked if the main concern was funding availability. Les White replied that part of it is funding availability and part of it is the level of the outside control and direction that would come with the funding.

Director Beautz commented that it is good to include MAC's responses showing METRO has its own advisory body and does not need another one.

ACTION: MOTION: DIRECTOR BEAUTZ SECOND: DIRECTOR REILLY

Authorize Staff to forward responses to the recommendations of the Paratransit Coordination Task Force to the Regional Transportation Commission. Direct Staff to bring back additional comments to the Board with clearer and stronger language of METRO's opposition regarding the more controversial or problematic recommendations

Director Stone stated that the response letter could say that the responses are not necessarily the Board's position and that the Board would be submitting its own comments.

Director Reilly agreed with Director Stone and stated that the RTC is expecting a strong response from METRO.

Motion was withdrawn and item was continued to next month by consensus with Staff to bring back a report next month with refined responses and a draft letter.

10. CONSIDERATION OF MODIFICATIONS TO THE PARATRANSIT PLAN REFERRED TO AS THE PARACRUZ CUSTOMER GUIDE

Summary:

Steve Paulson reported that the existing ParaCruz Customer Guide was adopted in 2002, after which time the policies and procedures to run the service were developed. Modifications to the original content are intended to provide customers and the community with a more clear understanding of the service provided by METRO ParaCruz including changes to the No Show Policy, more information on eligibility renewal, increased mention of the connection between fixed route and Paratransit, clarification of what a Paratransit driver will and will not do, clarification of "will call returns", clarification of the service provided to a personal care attendant (PCA),

expectations of service animal behavior, and added language regarding customer conduct or courtesy.

Les White reported that that MAC and E &D TAC will have an opportunity to review the proposed modifications and provide input before it comes back to the Board for adoption.

Discussion:

Paul Marcelin-Sampson stated that he was impressed with the changes and revisions and that they provide clarity. Mr. Marcelin-Sampson urged that the Board emphasize that there has been a good-faith effort on the part of the District to improve this document.

Bonnie Morr, UTU, stated that there have been no formal meetings with the union about how some of the changes would affect working conditions. Chair Rotkin suggested that she contact Staff to request a meeting. Les White asked Ms. Morr to list her concerns to be addressed.

Director Reilly stated that she believes that that no show policy should be very clear.

Margaret Gallagher added that no action is requested today and that a revised report will come back to the Board which will include input from MAC, E&D TAC and the union.

13. CONSIDERATION OF ADOPTION OF AN OPERATING BUDGET FRAMEWORK AND A MAJOR CAPITAL PROJECTS PLAN FOR FY 2007 – FY 2011

Summary:

Les White reported that the adoption of the proposed Operating and Capital Financial Framework will provide direction to METRO Staff with regard to guidelines for the development of future operating budgets and planning for capital projects. As conditions and circumstances change, it is anticipated that the Board of Directors would modify the Operating and Capital Financial Framework to reflect the changes.

Discussion:

Bonnie Morr, UTU, commented that this document does not address increased service, which she feels is important. Ms. Morr said that she feels METRO should be making a major marketing effort and pushing forward to promote alternative transportation.

Paul Marcelin-Sampson stated that he supports the plan and encouraged current and future Board members not so succumb to the temptation of starving the Capital Budget.

Director Stone stated that it is good to see this type of plan and suggested some type of tracking system regarding the Board's financial decisions, external funding changes, and their outcomes.

Les White suggested that an annual report on Board financial actions and funding could be included in the budget process.

Director Nicol stated that he felt the Board should adopt a policy of not approving an unbalanced operating budget in the future.

Chair Rotkin stated that he feels it is important that the RTC reinstate a policy to distribute 85% of supplemental TDA funds to METRO.

ACTION: MOTION: DIRECTOR TAVANTZIS SECOND: DIRECTOR REILLY

Adopt the framework plan for the METRO Capital and Operating Budgets for the period 2007 - 2011

Motion passed unanimously with all Directors present.

15. CONSIDERATION OF APPROVAL OF MODIFICATIONS TO THE BYLAWS OF THE METRO ADVISORY COMMITTEE TO PROVIDE FOR STAGGERED TERMS FOR MEMBERS AND TO CLARIFY CONDITIONS FOR MEMBERSHIP CONDITIONS

Summary:

Les White reported that this report proposes amending the MAC Bylaws to change the term of office for MAC members to two years from the date of appointment which would result in staggered terms, remove the term limit restriction, and exempt individuals who work for UCSC, but are not employed by TAPS, from the Article 3.1 employment restriction.

ACTION: MOTION: DIRECTOR TAVANTZIS SECOND: DIRECTOR BEAUTZ

Approve modifications to the Bylaws of the METRO Advisory Committee (MAC) to change the term of office for MAC members to two years from the date of appointment which would result in staggered terms, remove the term limit restriction, and exempt individuals who work for UCSC, but are not employed by TAPS, from the Article 3.1 employment restriction

Director Spence requested that Staff send a letter to each Mac member and their appointing Director when their term is about to expire.

Motion passed unanimously with all Directors present.

16. ACCEPT REPORT REGARDING SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION'S TRANSPORTATION FUNDING TASK FORCE

Summary:

Director Spence gave a report on the TFTF and reported that there is a possibility of adding three more meetings to explain transit funding mechanisms and traffic flow. On Director Spence's recommendation, Chair Rotkin presented Paul Marcelin-Sampson with a Certificate of Appreciation on behalf of the Board for his participation and attendance as the Board's consumer appointee to the TFTF.

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

Margaret Gallagher reported that that the Board would have a conference with its Labor Negotiators regarding SEIU, Local 415, and UTU, Local 23, ParaCruz Division; and that Item #2 on today's Closed Session Agenda had been deleted.

18. ORAL AND WRITTEN COMMUNICATIONS REGARDING CLOSED SESSION

April Warnock, ParaCruz Scheduling and Reservations Supervisor, asked the Board to keep in mind, while considering the progress of labor negotiations, that ParaCruz is a dedicated hard working group that realized that their current wage structure was inherited and ask that the Board consider wage parity with other employee groups at METRO. Ms. Warnock informed the Board that long-time ParaCruz employees are making less than entry level wages of other METRO employees.

SECTION II: CLOSED SESSION

Chair Rotkin adjourned to Closed Session at 11:49 a.m. and reconvened to Open Session at 12:59 p.m.

SECTION III: RECONVENE TO OPEN SESSION

19. REPORT OF CLOSED SESSION

Chair Rotkin reported that the Board took no reportable action in Closed Session.

ADJOURN

There being no further business, Chair Rotkin adjourned the meeting at 1:00 p.m.

Respectfully submitted,

CINDI THOMAS
Administrative Services Coordinator