



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)
BOARD OF DIRECTORS AGENDA MEETING MINUTES*
AUGUST 23, 2019 – 9:00 AM
METRO ADMIN OFFICES
110 VERNON STREET, SANTA CRUZ, CA**

A regular meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District (METRO) was convened on Friday, August 23, 2019 at the METRO Admin Offices, 110 Vernon 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. *Minutes are "summary" minutes, not verbatim minutes. Audio recordings of Board meeting open sessions are available to the public upon request.

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SECTION I: OPEN SESSION

CALL TO ORDER at 9:00 AM by Chair Bottorff.

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

Director Ed Bottorff	City of Capitola
Director Trina Coffman-Gomez	City of Watsonville
Director Aurelio Gonzalez	City of Watsonville
Director John Leopold	County of Santa Cruz
Director Donna Lind	City of Scotts Valley
Director Cynthia Mathews	City of Santa Cruz
Director Donna Meyers	City of Santa Cruz
Director Bruce McPherson	County of Santa Cruz
Director Larry Pageler	County of Santa Cruz
Director Dan Rothwell	County of Santa Cruz
Director Mike Rotkin	County of Santa Cruz
Ex-Officio Director Alta Northcutt	Cabrillo College
Ex-Officio Director Stephen Preston	UCSC

Director Meyers and Ex-Officio Director Northcutt were absent.

STAFF PRESENT:

Alex Clifford	METRO CEO/General Manager
Julie Sherman	METRO General Counsel

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

Kate Livingston, SLVHS Parents

Susan Skotzke, Community Member

3 ANNOUNCEMENTS

Chair Bottorff introduced Mindy Esqueda and her Spanish Language interpretation services. Ms. Esqueda announced her services in Spanish for the assembly. Chair Bottorff also announced that the meeting is being televised by Community Television of Santa Cruz County with technician, Mr. Kingston Rivera.

4 BOARD OF DIRECTORS COMMENTS

Hearing none, Chair Bottorff moved to the next agenda item

5 ORAL AND WRITTEN COMMUNICATIONS TO THE BOARD OF DIRECTORS

An unidentified woman expressed her concerns about climate chaos, suggesting sporadic service has contributed to the issue.

Caitlin, representing San Lorenzo Valley High School (SLVHS) parents, said sporadic service creates problems for both students and parents, particularly when there are reports of a dangerous male in the area.

Susan Skotzke, mother of two disabled children living in La Selva Beach, expressed concerns about the August 16, 2019 letter from METRO's CEO. Children with wheelchairs cannot readily use public transportation as had been suggested by public officials. Delays and random cancellations cause severe problems. ParaCruz is sometimes as much as an hour late, which causes a ripple effect through the family. She asked that METRO upgrade to an automated system and include an app so that the ride can be tracked.

Hearing no other comments, Chair Bottorff moved to the next agenda item.

6 WRITTEN COMMUNICATIONS FROM MAC

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

7 LABOR ORGANIZATION COMMUNICATIONS

Chair Bottorff expressed his hope that the meeting would continue to be respectful and conducted in a professional manner, noting the extra security is a precaution for everyone because of a flyer issued by the union.

Olivia Martinez, SEIU representative, echoed Chair Bottorff's sentiments for a civil conversation. She explained that the referred to flyer was distributed because they were told METRO was going to impose on them and they wanted union support. She expressed concern regarding the presence of security. She advised the assembly that recent Union vote results were: 80% no on METRO's last, best and final offer and 90% no confidence in METRO leadership. The lack of board members' response(s) to union members' correspondence is concerning. The Union has not moved to strike because they are aware of the impact to families throughout the county. The attachment documentation was provided to state legislators. She made several statements critical of METRO leadership and negotiation positions. She asked that the board listen to the workforce.

Michael Rios, speaking on behalf of all SEIU members, reminded the assembly that negotiations have been ongoing since March 2019. He reiterated a number of statements made by the previous speaker. We have agreed to pay more for medical benefits and use the 5%

below median figures. We have submitted three different economic proposals to METRO; METRO management has refused each. Reserves are healthy. METRO has increased management pay. Denying employees a COLA does not boost morale, build a happy staff or retain employees. He hopes the board will take the time to encourage management to reach an equitable agreement.

John Daugherty, METRO employee, spoke of the unexpected ways not having a contract has affected him and his coworkers. He is not sure where the problems are; however, disallowing comp time accrual and borrowing of leave shows a lack of empathy for the METRO worker.

Joan Jeffries, SEA President, provided a list of all the redlined positions that would not get an increase for three years under METRO's last, best and final offer. She reminded the assembly that they have not received a COLA since 2015.

Bonnie Morr, labor rep for SMART and a 30+ year METRO employee, said no one benefits from labor unrest and the requirement for board and management is to figure out how to have labor harmony. She thanked Chair Bottorff for his apology and concern for public safety; however, she plans to file an ADA complaint regarding lack of accessible parking.

Brandon Freeman appreciates Chair Bottorff's comments and notes they have done what they can to keep it professional and he asked that the Board think about how they are making the employees feel and the impact to morale. The current METRO culture is keeping the employees down through discipline, suspension, etc.

Susan Skotzke reminded the CEO of METRO's mission statement. She is concerned about the lack of an increase since 2015 and feels the drivers need to be supported.

Nathan Meisenheimer, METRO Parts employee, reminded the assembly that although public perception may only be focusing on drivers, everyone at METRO should be supported. It takes a team effort to provide safe and clean transportation. He noted approximately 50% of the non-operator positions are being redlined, their job was revised with no pay increase. Other agencies pay more for fewer responsibilities and this is unfair.

Elmer Torres, METRO employee for 20+ years, raised his concerns regarding the proposed change to on-call pay for facilities workers. They currently receive \$150.00 per week. He asked the Board if they considered the management increases comparable to those proposed for the workers.

Having no further comments, Chair Bottorff moved to the next item.

8 ADDITIONAL DOCUMENTATION

The following items were distributed and are available at the table in the lobby:

- Agenda Item 9-08, Consider a Resolution Designating the CEO as the Authorized Agent to Submit a Project List and Execute Agreements to Receive California State of Good Repair Funds Staff Report and Attachments A and D have been revised. Redline versions are available.
- Agenda Item 15, Receive an Update on the SCCRTC Rail Corridor Alternative Analysis Study Scope of Work, Attachment A. Changes to pages 3, 11 and 12.
- Agenda Item 17, Resolution of the Directors of SCTMD Declaring the Compensation and Benefits of METRO Employees Uncertain as of July 1, 2019, redline version now available.
- News Clips were posted to the website and are available at the back of the room.

CONSENT AGENDA

- 9-01 RECOMMENDED ACTION ON TORT CLAIMS**
- 9-02 ACCEPT AND FILE PRELIMINARY APPROVED CHECK JOURNAL DETAIL FOR THE MONTHS OF JUNE AND JULY 2019**
- 9-03 ACCEPT AND FILE THE MINUTES OF THE JUNE 28, 2019 REGULAR METRO BOARD OF DIRECTORS MEETING AND THE AUGUST 9, 2019 SPECIAL METRO BOARD OF DIRECTORS MEETING**
- 9-04 ACCEPT AND FILE THE METRO PARACRUZ OPERATIONS STATUS REPORT FOR APRIL, MAY AND JUNE 2019**
- 9-05 ACCEPT AND FILE METRO SYSTEM RIDERSHIP REPORTS FOR THE FOURTH QUARTER OF FY19**
- 9-06 ACCEPT AND FILE QUARTERLY STATUS REPORT OF GRANT APPLICATIONS AND ACTIVE GRANTS FOR THE FOURTH QUARTER OF FY19**
- 9-07 ACCEPT AND FILE THE YEAR TO DATE MONTHLY FINANCIAL REPORT AS OF MAY 31, 2019**
- 9-08 APPROVE: CONSIDER A RESOLUTION DESIGNATING THE CEO AS THE AUTHORIZED AGENT TO SUBMIT A PROJECT LIST AND EXECUTE AGREEMENTS TO RECEIVE CALIFORNIA STATE OF GOOD REPAIR FUNDS**
- 9-09 APPROVE: CONSIDER A RESOLUTION AUTHORIZING THE CEO TO SUBMIT APPLICATIONS AND EXECUTE AGREEMENTS FOR GRANTS FROM THE FEDERAL TRANSIT ADMINISTRATION AND FROM THE CALIFORNIA DEPARTMENT OF TRANSPORTATION**
- 9-10 APPROVE: CONSIDERATION OF DECLARING VEHICLES AND/OR EQUIPMENT AS EXCESS FOR PURPOSES OF DISPOSAL OR AUCTION**
- 9-11 CONSIDERATION OF APPROVAL OF AUDIT ENGAGEMENT LETTER WITH BROWN ARMSTRONG ACCOUNTANCY CORPORATION FOR FINANCIAL AUDIT AND TAX SERVICES FOR THE FISCAL YEAR ENDED JUNE 30, 2019**
- 9-12 APPROVE: RENEWAL OF PROPERTY INSURANCE COVERAGE FOR FY20 WITH ZURICH AMERICAN INSURANCE COMPANY**
- 9-13 APPROVE: CONSIDERATION OF RATIFICATION OF CONTRACT WITH ALLIANT INSURANCE SERVICES, INC. FOR EMPLOYEE VISION CARE INSURANCE NOT TO EXCEED \$701,500**

9-14 CONSIDERATION OF AWARD OF CONTRACT TO CENTRAL ELECTRIC COMPANY FOR PURCHASE AND INSTALLATION OF AN EMERGENCY POWER GENERATOR NOT TO EXCEED \$307,732

9-15 APPROVAL OF THE FINAL SEIU POSITION DESCRIPTIONS

9-16 CONSIDERATION OF AUTHORIZATION TO USE THE STATE OF CALIFORNIA DEPARTMENT OF GENERAL SERVICES CONTRACT FOR THE PURCHASE OF SIX STERTIL-KONI WIRELESS MOBILE COLUMN LIFTS AND ONE FACILITIES SUPPORT VEHICLE

9-17 CONSIDERATION OF AWARD OF CONTRACT FOR ONE CNG BUS TO GILLIG, LLC IN AN AMOUNT NOT TO EXCEED \$664,797

9-18 CONSIDERATION OF RATIFICATION OF USE OF STATE OF CALIFORNIA DEPARTMENT OF GENERAL SERVICES CONTRACT FOR THE PURCHASE OR ONE LOW ROOF CARGO VAN

Public Comment:

Olivia Martinez asked the Chair to pull Agenda Item 9-15, Approval of the Final SEIU Position Descriptions, saying the salary study and agreement go hand-in-hand and several job descriptions were revised substantially with added job duties that may affect the compensation. After discussion back and forth between the union members, METRO management and various board members, Agenda Item 9-15 was pulled at the request of Director Rotkin to be discussed later in the meeting as Agenda Item 17B.

James Sandoval and Brandon Freeman requested the Chair pull Agenda Item 9-13, Consideration of Ratification of Contract with Alliant Insurance Services, Inc. for Employee Vision Care Insurance Not to Exceed \$701,500, as they stated the Union was not consulted prior to implementation.

Ms. Martinez said this is a contractual item, a mandatory subject of bargaining. She never received a letter from Dawn Crummié or Alex Clifford.

After discussion and comment between the Union, METRO management and board members, Director Leopold pulled Agenda Item 9-13, to be discussed later in today's meeting as Agenda Item 17A.

At Director Mathews' request, Barrow Emerson will add a column to future quarterly grants reports indicating the remaining balance(s) of each grant.

ACTION: MOTION TO ACCEPT THE CONSENT AGENDA AS PRESENTED, WITH THE EXCEPTIONS OF AGENDA ITEMS 9-13 AND 9-15, TO BE DISCUSSED AS TODAY'S AGENDA ITEMS 17A AND 17B, RESPECTIVELY.

MOTION: DIRECTOR ROTKIN

SECOND: DIRECTOR COFFMAN-GOMEZ

MOTION PASSED WITH 10 AYES (Directors Bottorff, Coffman-Gomez, Gonzalez, Leopold, Lind, Mathews, McPherson, Pageler, Rothwell and Rotkin) Director Meyers was absent.

REGULAR AGENDA

- 10 PRESENTATION OF EMPLOYEE LONGEVITY AWARDS FOR**
10 YEARS: LISA MITCHELL, CLARENCE ARAGON, JULIO GARCIA VELASCO
20 YEARS: SALVADOR CALDERON, EDUARDO MONTESINO, RICHARD OROZCO,
JOSE HERRERA, CHRIS KANE
30 YEARS: SERGIO LONA-GONZALEZ AND A.J. DAUGHERTY
Vice Chair Rotkin read the bios of the employees and congratulated them in absentia.

Chair Bottorff provided the anniversary plaque to John Daugherty, Accessible Services Coordinator. John shared a few of his experiences over the years, remembering his Santa Cruz origin as one of Vice Chair Rotkin's students at UCSC. He remains pleased to serve the public and the disabled community.

11 ORAL CEO UPDATE

CEO Clifford welcomed and thanked the New Hires and Promotions below, adding many ParaCruz and Fixed Route Operators will be introduced at a future board meeting upon completion of their training,

New Hires:

ParaCruz Operator: Ronald Catley, Marisela Garcia, Victor Rodriguez, Bonny McCall

Fixed Route Operator: Miguel Avalos Lazzaro, Pio Quinto Carrillo, Michell Collins, David Demara, Cynthia Farrell, Jaime Jimenez, Daniela Leal, Theresa Lustik, Pablo Martinez, Maribel Negrete, Darna Stewart

FM Mechanic I: Gabriel Moreno

Financial Analyst: Caitlin Nelson

Promotions:

Lead Custodian: Luis A. Camacho, promoted from Custodial Service Worker I

Vehicle Service Worker II: Manuel Madrigal, promoted from Vehicle Service Worker I

FM Mechanic I: Jose Zamarripa, promoted from Vehicle Service Worker II

Fixed Route Operator: Bernabe Carranco, promoted from Vehicle Service Worker I

CEO Clifford then announced the departure of Erron Alvey, Purchasing and Special Projects Director, noting her last day was today. Ms. Alvey thanked the board for the opportunities and many board members spoke of their experience(s) working with her. Chair Bottorff noted her legacy would be the Judy K. Souza Operations Facility.

There was no public comment.

- 12 CONSIDERATION OF THE APPOINTMENT OF JAMES VON HENDY TO THE METRO ADVISORY COMMITTEE (MAC) FOR A TERM OF OFFICE ENDING DECEMBER 31, 2021 AND EXTEND THE NOMINATION PERIOD TO SOLICIT AND ACCEPT BOARD NOMINEES AND CITIZEN APPLICATIONS FOR TWO SEATS EXPIRING DECEMBER 31, 2019**

Veronica Elsea, MAC Chair, thanked the MAC Ad Hoc Committee for selecting Mr. Von Hendy. He has already shown his commitment by attending their most recent meeting. She asked that the Board consider permitting them to select the 2020 Chair at the November meeting, but delay setting the 2020 meeting calendar until the first meeting of the new year.

Director Coffman-Gomez was impressed with the number of candidates interested in the position. She has reached out to Cabrillo's Watsonville campus to solicit interest in future openings.

In response to Director Leopold's question, Director Bottorff noted that the MAC Ad Hoc Committee anticipates returning to the board in October with nominees for the two open seats expiring in December 2019.

There was no public comment.

ACTION: MOTION TO ACCEPT THE APPOINTMENT OF JAMES VON HENDY TO THE METRO ADVISORY COMMITTEE (MAC) FOR A TERM OF OFFICE ENDING DECEMBER 31, 2021 AND EXTEND THE NOMINATION PERIOD TO SOLICIT AND ACCEPT BOARD NOMINEES AND CITIZEN APPLICATIONS FOR TWO SEATS EXPIRING DECEMBER 31, 2019 AS PRESENTED

MOTION: DIRECTOR ROTKIN

SECOND: DIRECTOR COFFMAN-GOMEZ

MOTION PASSED WITH 10 AYES (Directors Bottorff, Coffman-Gomez, Gonzalez, Leopold, Lind, Mathews, McPherson, Pageler, Rothwell and Rotkin) Director Meyers was absent.

13 CONSIDERATION OF RATIFICATION OF CONTRACT WITH CENTRAL ELECTRIC COMPANY FOR CONSTRUCTION TO INSTALL ELECTRIC VEHICLE CHARGING INFRASTRUCTURE NOT TO EXCEED \$646,496

Erron Alvey, Purchasing & Special Projects Director, provided commentary to the staff report, adding a consultant, CTE, has been hired to address the various charging challenges; e.g., bus yard constraints, route planning, etc. CEO Clifford noted this ratification is being submitted to the Board in August due to having no board meeting in July.

Discussion among the board members and METRO staff ensued regarding Monterey Bay Community Power and power rate strategies.

There was no public comment.

ACTION: MOTION TO ACCEPT THE RATIFICATION OF CONTRACT WITH CENTRAL ELECTRIC COMPANY FOR CONSTRUCTION TO INSTALL ELECTRIC VEHICLE CHARGING INFRASTRUCTURE NOT TO EXCEED \$646,496 AS PRESENTED

MOTION: DIRECTOR LEOPOLD

SECOND: DIRECTOR PAGELER

MOTION PASSED WITH 10 AYES (Directors Bottorff, Coffman-Gomez, Gonzalez, Leopold, Lind, Mathews, McPherson, Pageler, Rothwell and Rotkin) Director Meyers was absent.

14 AUTHORIZE A PUBLIC HEARING ON FIXED ROUTE FREE FARE PROGRAM FOR LEGALLY BLIND CUSTOMERS

Jayne Ackemann, Marketing, Communications & Customer Service Director, added commentary to the agenda item stressing the intent is to allow the legally blind community to ride the buses without issue.

There was no public comment.

ACTION: MOTION TO AUTHORIZE A PUBLIC HEARING ON FIXED ROUTE FREE FARE PROGRAM FOR LEGALLY BLIND CUSTOMERS PRESENTED

MOTION: DIRECTOR ROTKIN

SECOND: DIRECTOR McPHERSON

MOTION PASSED WITH 10 AYES (Directors Bottorff, Coffman-Gomez, Gonzalez, Leopold, Lind, Mathews, McPherson, Pageler, Rothwell and Rotkin) Director Meyers was absent.

15 RECEIVE AN UPDATE ON THE SCCRTC RAIL CORRIDOR ALTERNATIVE ANALYSIS STUDY SCOPE OF WORK

Barrow Emerson, Planning and Development Director, brought the assembly's attention to the replacement pages that were distributed to the board members and available at the back of the room. These contain small changes with an emphasis on triple bottom line analysis. He also thanked Ms. Alvey for her support and contribution in bringing the number of replacement buses down from 63 to 34.

There was no public comment.

16 ORAL PACIFIC STATION UPDATE

Barrow Emerson, Planning and Development Director, said METRO continues to pursue State and Federal grants to support the project. The environmental studies have yet to be completed.

Director Mathews added METRO and the City team are meeting next week to review and discuss the recently received Mark Thomas' Scope of Work. Progress is being made.

There was no public comment.

17 APPROVE RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT DECLARING THE COMPENSATION AND BENEFITS OF METRO EMPLOYEES UNCERTAIN AS OF JULY 1, 2019

Julie Sherman, General Counsel, explained that the purpose of the subject resolution is to recognize the fact that the labor organization(s) MOU(s) expired June 30, 2019 and thus the respective unions' wages and benefits are uncertain as of July 1, 2019. This action permits the board to retroactively approve wage increases once the effective date is agreed to by all parties.

There was no public comment.

ACTION: MOTION TO APPROVE THE RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT DECLARING THE COMPENSATION AND BENEFITS OF METRO EMPLOYEES UNCERTAIN AS OF JULY 1, 2019

MOTION: DIRECTOR ROTKIN

SECOND: DIRECTOR LEOPOLD

MOTION PASSED WITH 10 AYES (Directors Bottorff, Coffman-Gomez, Gonzalez, Leopold, Lind, Mathews, McPherson, Pageler, Rothwell and Rotkin) Director Meyers was absent.

17A CONSENT AGENDA ITEM 9-13, CONSIDERATION OF RATIFICATION OF CONTRACT WITH ALLIANT INSURANCE SERVICES, INC. FOR EMPLOYEE VISION CARE INSURANCE NOT TO EXCEED \$701,500, PULLED FROM CONSENT AT REQUEST OF DIRECTOR ROTKIN

Monik Delfin, HR Generalist, said they are asking the board to approve the ratification of the former VSP contract, which had expired July 31, 2019 with no renewal option(s). A new broker, Alliant Insurance Services, Inc., will provide the same coverage with the same network at a lower cost. If the ratification is not granted, the employees would not have the benefit.

Director Leopold expressed concern that the unions were not consulted about the provision of benefits, the draft specification and subsequent contract award; asking if this is a union-negotiable matter. General Counsel Sherman's understanding is that the insurance coverage remains exactly the same; it is just coming through a third party/broker, rather than directly through VSP.

Public Comment:

Ms. Martinez quoted Article 7.1 of the MOU, saying she and some of the members just heard about this, suggesting approval to discuss union concerns and allow them to be addressed in a meeting with METRO management. .

Ms. Jeffries provided historical background, referring to a procedure developed with the former HR Director, which obtained union feedback/input throughout the process; e.g., they were invited to be on the RFP evaluation team. Since her departure, this process has not been followed.

Mr. Freeman wants to ensure the members are covered and the benefits continued. He will take management's word that nothing has changed; but, he has issues with the process and a grievance will be submitted for breach of contract.

Chair Bottorff expressed concerns regarding how this change was approached, adding the board's intent is for the employees to keep any pre-existing benefit(s).

ACTION: MOTION TO RATIFY THE CONTRACT WITH ALLIANT INSURANCE SERVICES, INC. FOR EMPLOYEE VISION CARE INSURANCE NOT TO EXCEED \$701,500 AS PRESENTED WITH THE UNDERSTANDING THAT THERE IS NO REDUCTION IN PROVIDED SERVICES, THAT METRO HUMAN RESOURCES MEET WITH CONSTITUENT UNIONS TO ENSURE THERE ARE NO CHANGES/DECLINE OF BENEFITS, THAT A PROTOCOL IS DEVELOPED TO NOTIFY UNIONS OF BENEFIT CONTRACTS AND TO INFORM ALL EMPLOYEES WHEN CHANGES ARE MADE AND HOW THEY CAN ACCESS THEIR BENEFITS

MOTION: DIRECTOR LEOPOLD

SECOND: DIRECTOR GONZALEZ

MOTION PASSED WITH 10 AYES (Directors Bottorff, Coffman-Gomez, Gonzalez, Leopold, Lind, Mathews, McPherson, Pageler, Rothwell and Rotkin) Director Meyers was absent.

17B CONSENT AGENDA ITEM 9-15, APPROVAL OF THE FINAL SEIU POSITION DESCRIPTIONS, PULLED FROM CONSENT AT REQUEST OF DIRECTOR LEOPOLD

Vice Chair Rotkin said that while he does not see any reason not to approve the item, he questioned if the study adequately reflects the duties and the associated compensation. The employees do not seem to be complaining about the job description/job responsibilities per se, rather that the comparisons are not appropriate and that they are not being adequately compensated.

Director Leopold asked if METRO is successfully recruiting for open positions and if we have enough staff to cover the jobs.

Public comment:

Ms. Martinez thanked the board for giving the members time to speak and said the membership is worried the new positions, with the added responsibilities, are going through without any compensation increase.

Mr. Misenheimer clarified the method in which the members were introduced to and participated in the process, noting the employees updated their job descriptions to match their current responsibilities. However, the study did not consider the additional duties; only the position titles were used for comparison. As a result, the employees are not being accurately compared and/or compensated to the peer agencies.

Joseph Mata, Upholsterer, relayed his experience with CPS. Although he spends the majority of his day doing body shop/technician work, he was told he could not be classified as two positions. When he saw his finalized job description, he found the body shop technician responsibilities had been added. When he compared his upholsterer position description to the peer agencies, he noted none of them contains body technician duties. This does not help METRO morale.

Ms. Alvey said that she had not intended to mention this issue today; however, the board should be aware that the CPS study results were a factor in her leaving METRO to take another position.

Director Lind said the employees only benefit if they are adopting accurate job descriptions and questioned whether a class and comp study is really an accurate way to evaluate compensation where comparisons do not exist.

Mr. Rios noted it does not feel good when you are given additional job duties, but not compensated for them.

In response to Director Coffman-Gomez' question, CEO Clifford reiterated that the class and comp study was an extensive process. The union signed off on every position prior to today.

Director Gonzales said he understands the employees are expressing concerns about how the study was done, the duties changed and their compensation is being based at the low end.

Chair Bottorff struggles with this. The idea behind a class and comp is to compare apples-to-apples. In smaller environments, positions often cover more than one job description.

Monik Delfin, HR Generalist, said it is important that HR move ahead with the new job titles to make it easier to recruit without adding more to the website documents; it is hard to recruit for similar-looking positions.

Director Leopold acknowledged Chair Bottorff's point, but it seems clear that the question of pay is a negotiation issue to be taken seriously. This does not seem to be about recruiting. We need to be working to come to an agreement for the benefit of the employees and the community. He remains hopeful that we can get back to the table.

ACTION: MOTION TO APPROVE THE FINAL SEIU POSITION DESCRIPTIONS AS PRESENTED

MOTION: DIRECTOR ROTKIN

SECOND: DIRECTOR MATHEWS

MOTION PASSED WITH 10 AYES (Directors Bottorff, Coffman-Gomez, Gonzalez, Leopold, Lind, Mathews, McPherson, Pageler, Rothwell and Rotkin) Director Meyers was absent.

18 REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION

Julie Sherman, General Counsel, announced the items to be discussed in today's closed session adding there would NOT be an announcement after.

19 ANNOUNCEMENT OF NEXT MEETING: FRIDAY, MARCH 22, 2019 AT 9:00 AM, AT METRO ADMIN OFFICES, 110 VERNON STREET, SANTA CRUZ, CA

Chair Bottorff announced the next meeting as above.

20 RECESS TO CLOSED SESSION

Board recessed to Closed Session at 11:30AM

SECTION II: CLOSED SESSION

21 CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Government Code Section 54956.9 (d)(1))

Case: WCAB No. ADJ10647200 and ADJ10646540
Claimant: Tarquino Chacon Chavarria
Agency: Santa Cruz Metropolitan Transit District
Marie Sang, Attorney

22 CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Government Code Section 54956.9 (d)(2) – One potential case

SECTION III: RECONVENE TO OPEN SESSION AT 11:40AM

Julie Sherman, General Counsel, reported that no reportable action was taken in either closed session.

Chair Bottorff adjourned the meeting at 11:41AM

Respectfully submitted,

Gina Pye
Executive Assistant



On Monday August 19, 2019 80% of union members represented by SEIU 521 voted down the last best and final offer that Santa Cruz METRO is trying to impose. Workers represented by SEIU 521 work as mechanics, in accounting, fuel station and customer service staff; they are proud to help transportation services run smoothly so that Santa Cruz County residents can go to work and school. The issues focus on inequities with large salary increases and bonuses for top executives, but salary freezes for almost half of the operations workers. Meanwhile, METRO's budget is healthy with 15 million in reserves. SEIU 521 members helped



pass measures that helped the agency's budget. Members also took pay cuts two years ago and the cost of living has increased. Workers don't feel valued or respected by the agency they serve.

From December of 2015 to current SEIU has received only a 2% COLA while the CPI has increased 16%. Workers saved the district \$556K by not having a cost of living increase from 2015 to 2018.

At the June of 2017 METRO board meeting, CEO Alex Clifford reset his pay tables making his step 5 his new step 1, therefore allowing himself 4 more step increases which yielded an additional 33% pay increase over the length of his contract until 2022.

When CEO Alex Clifford started to work at Santa Cruz METRO in 2014, he was given a one-time housing allowance of \$20,000. According to Transparency CA, his yearly wages were \$190K in 2015, and with benefits, he received a total yearly compensation of \$254K. In 2018 he was paid wages of \$224K, and with benefits, he received a total compensation of \$277K which represents a 15% increase due to his step increases. He also receives a \$400 car allowance per month and is reimbursed for mileage if he travels beyond the San Jose or Monterey area, as well as additional perks.



In May of 2019 METRO's managers received retro pay and salary increases as a result of their class and comp study. 15 managers received retroactive pay ranging from \$2K to \$ 30K. This is costing METRO \$267K yearly for only 15 managers.

METRO also did a class and comp study for the 104 SEIU 521 union members. We were unable to have a proper meet and confer over the findings to discuss the validity of the results while the managers had several months to go back and forth over theirs.

The result of this study is that 44 of SEIU 521 members' wages are frozen, some throughout the next 3-year contract! So nearly half of our members will go from 2015 through 2021 only having received a 2% cost of living adjustment (COLA) a few years ago, which doesn't keep up

with the high increased cost of living in the County of Santa Cruz! Our original proposal would have cost the district \$457K but in reworking the numbers it's now \$275K for 104 members versus only 15 management positions that cost the district an additional \$321K a year.

This leaves many of the operations workers unable to live in the area where they work, all due to the results of a bad study. SEIU 521 union members gave back in 2015 to save jobs (by taking a 2% pay cut). We also helped passed measure D which brought additional revenues to METRO. Now that METRO has recovered and has a healthy budget with 15 million in reserves, it's time for the agency to give back to its employees who helped them.

On Monday, August 19, 2019, 95% of the membership voted they had no confidence in the leadership of Alex Clifford, CEO of METRO.

As an elected leader we are asking you to stand with METRO workers. Please encourage METRO management to approach our negotiations fairly and with a commitment to investing in our community.

Sincerely,

SEIU Local 521 Members

Attachment



COST OF LIVING INCREASE

Inflation causes cost of living expenses to regularly increase. As the price of everyday items such as food, housing, gas, clothing, and utilities rises, your employees spend more. To remain in a consistent financial situation, employee wages must go up as living expenses go up. A cost of living raise makes up for inflation.

Merit Increase

A merit increase, means that an employee will get a bump in their normal salary, based on a previously agreed upon policy of conduct, such as above average efficiency and performance.

Why Merit Increases Matter

You can boost morale and build a happy and loyal staff of employees, which also helps retaining top employees.

Equity Adjustment

An equity increase/salary adjustment is a pay increase based on the belief that an employee's current pay is too low given the significant swings in the internal or external "markets" for his/her specific skills and abilities. These forces, which can be quantified and substantiated by survey data, often require swift salary action to ensure fairness and equity in the workplace. Ensuring equity can be an effective management strategy to retain employees.

Attachment

	Current Max	New Base	Difference	Percentage	Retro
CFO	\$11,558.00	\$15,177.00	\$3,619.00	23.85%	\$36,190.00
COO	\$12,716.00	\$15,177.00	\$2,461.00	16.22%	\$24,610.00
IT	\$10,409.00	\$14,237.00	\$3,828.00	26.89%	\$38,280.00
HR	\$11,558.00	\$14,237.00	\$2,679.00	18.82%	\$26,790.00
Planning	\$11,558.00	\$12,937.00	\$1,379.00	10.66%	\$13,790.00
Maintenance	\$11,558.00	\$11,862.00	\$304.00	2.56%	\$3,040.00
Fin Dep Dir	\$10,055.00	\$11,382.75	\$1,327.75	11.66%	\$13,277.50
Sr Database	\$10,234.00	\$11,345.90	\$1,111.90	9.80%	\$11,119.00
Safety Secur	\$8,039.00	\$11,172.00	\$3,133.00	28.04%	\$31,330.00
HR Dep Dir	\$8,694.00	\$10,677.75	\$1,983.75	18.58%	\$19,837.50
Marketing	\$10,409.00	\$10,409.00	\$0.00	0.00%	\$0.00
Purchasing	\$10,409.00	\$10,409.00	\$0.00	0.00%	\$0.00
Facilities	\$8,452.00	\$10,082.70	\$1,630.70	16.17%	\$16,307.00
Database Adm	\$8,039.00	\$9,866.00	\$1,827.00	18.52%	\$18,270.00
Operations Mgr	\$8,694.00	\$9,326.00	\$632.00	6.78%	\$6,320.00
PC Operations Mgr	\$8,694.00	\$9,326.00	\$632.00	6.78%	\$6,320.00
Asst Maint Mgr	\$8,694.00	\$8,896.50	\$202.50	2.28%	\$2,025.00
Asst Oper Mgr PC/Fixed	\$7,266.00	\$6,994.50	-\$271.50	-3.88%	\$0.00
Exec Assistant	\$6,810.00	\$6,810.00	\$0.00	0.00%	\$0.00
	\$183,846.00	\$210,325.10	\$26,479.10	12.59%	\$267,506.00

Why can't SEIU and METRO reach an agreement?



SEIU proposed an 18-Month contract. We told management we would take off the table all other economic proposals:	SEIU proposed at one point a -24 months contract	SEIU last proposed a 36-month contract	METRO's
<p><u>Year 2019</u></p> <p><u>SEIU Classifications that had comparable shall receive 5% below median of total comp starting the first period after ratification. Members shall receive retroactive pay from January 2, 2019 to July 1, 2019.</u></p> <p><u>Effective the pay period beginning July 1, 2019 members that their Equity Adjustment resulted in percentage of 0% to 3% shall receive a cost of living increase of 3% in lieu of the Equity Adjustment.</u></p> <p>No Increase in July 1, 2020</p>	<p><u>Year 2019</u></p> <p><u>SEIU Classifications that had comparable shall receive 5% below median of total comp starting the first period after ratification. Members shall receive retroactive pay from January 2, 2019 to July 1, 2019.</u></p> <p><u>Effective the pay period beginning July 1, 2019 members that their Equity Adjustment resulted in percentage of 0% to 3% shall receive a cost of living increase of 3% in lieu of the Equity Adjustment.</u></p>	<p><u>Year 2019</u></p> <p><u>Effective the pay period beginning July 1, 2019, with the exceptions set forth herein, METRO shall implement the CPS HR Consulting Report dated May 23, 2019 ("CPS Study")</u></p> <p><u>Effective the pay period beginning July 1, 2019 members whose Equity Adjustment resulted in a percentage of 0% to 3% shall receive a cost of living increase of 3% in lieu of the Equity Adjustment</u></p> <p><u>For the members that were above market METRO shall either:</u></p> <p><u>Meet and confer with SEIU to review the results of the study, review if the comparable were accurate and implement any correction or</u></p> <p><u>Reinstate article 8.7.1 and 8.2.3 for those members</u></p> <p><u>Year 2020</u></p> <p><u>Effective the first period beginning July 1, 2020 members shall receive a lump sum bonus of \$2000</u></p> <p><u>Year 2021</u></p> <p><u>Effective the pay period beginning July 1, 2021 members shall receive a cost of living increase of 4%.</u></p>	<p>All of METRO's economic proposal has consistent of the following:</p> <ul style="list-style-type: none"> • No retro pays for the Salary Study • Freezing Salaries of 47 members • Taking away comp time • Taking away ability to borrow PTO (which is not used that much by members) • Paying more towards medical • Using the 5% below median of the CPS study <p>SEIU:</p> <p>Agreed to take away the retro pay for the salary study We agreed to pay more towards medical We agreed to use the 5% below median of the CPS study</p> <p>Yet, METRO refuses to move from</p> <ul style="list-style-type: none"> • Taking away comp time • Freezing salaries • Taking away the borrowing PTO
<p><u>Compaction would be addressed according to CPS except for some exceptions</u></p>	<p><u>Compaction would be addressed according to CPS except for some exceptions</u></p>	<p><u>Compaction would be addressed according to CPS except for some exceptions</u></p>	
<p>Union would pay 5% toward health insurance</p>	<p>Union would pay 5% toward health insurance</p>	<p>Union would pay 5% toward health insurance</p>	

Attachment

DISTRICT'S LAST BEST FINAL PROPOSAL:

**Vendor Recommendation (5% Below Total Comp Median),
NO COLA, No Re-adjustment for Compaction**

Series	Series Level	Class Title	Current Max Base Salary Hourly	Current Max Base Salary Monthly	NEW Max Base Salary HOURLY	NEW Max Base Salary MONTHLY	% Change from Current Max Base Salary		Increase/Decrease in hourly Rate	No. of Redlined members in each Class
Accounting Technician	Entry	Accounting Technician	\$ 27.69	\$ 4,800	\$ 27.58	\$ 4,781	-0.40%	REDLINED	\$ (0.11)	0
	Journey	Senior Accounting Technician	\$ 31.47	\$ 5,455	\$ 30.65	\$ 5,312	-2.62%	REDLINED	\$ (0.82)	2
	Advanced	Accounting Specialist	\$ 35.62	\$ 6,174	\$ 33.71	\$ 5,843	-5.36%	REDLINED	\$ (1.91)	1
Administrative	Journey	Administrative Assistant	\$ 29.42	\$ 5,099	\$ 28.23	\$ 4,894	-4.02%	REDLINED	\$ (1.18)	3
Benefits Technician	Journey	Benefits Technician	\$ 31.24	\$ 5,415	\$ 29.70	\$ 5,148	-4.93%	REDLINED	\$ (1.54)	1
Claims Technician	Entry	Claims Technician I	\$ 30.96	\$ 5,366	\$ 27.58	\$ 4,781	-10.90%	REDLINED	\$ (3.38)	0
	Journey	Claims Technician II	\$ 34.40	\$ 5,963	\$ 30.65	\$ 5,312	-10.91%	REDLINED	\$ (3.75)	0
Custodial	Journey	Custodial Service Worker	\$ 21.56	\$ 3,737	\$ 20.57	\$ 3,566	-4.58%	REDLINED	\$ (0.99)	7
	Advanced-Lead	Lead Custodial Service Worker	\$ 26.64	\$ 4,618	\$ 24.69	\$ 4,279	-7.34%	REDLINED	\$ (1.96)	0
	Supervisor	Custodial Supervisor	\$ 28.68	\$ 4,971	\$ 27.77	\$ 4,814	-3.16%	REDLINED	\$ (0.91)	1
Electronic Technician	Advanced	Electronic Technician	\$ 39.64	\$ 6,871	\$ 38.26	\$ 6,631	-3.49%	REDLINED	\$ (1.38)	1
H.R. Clerical	Journey	Human Resources Clerk	\$ 27.84	\$ 4,826	\$ 26.73	\$ 4,633	-4.00%	REDLINED	\$ (1.11)	0
	Advanced	Human Resources Specialist	\$ 29.79	\$ 5,164	\$ 29.40	\$ 5,096	-1.32%	REDLINED	\$ (0.39)	0
H.R. Technician	Journey	Human Resources Technician	\$ 32.19	\$ 5,580	\$ 29.70	\$ 5,148	-7.74%	REDLINED	\$ (2.49)	1
Legal Secretary	Journey	Legal Secretary	\$ 27.84	\$ 4,826	\$ 26.73	\$ 4,633	-4.00%	REDLINED	\$ (1.11)	0
Mechanic	Entry	Mechanic I	\$ 30.78	\$ 5,335	\$ 29.53	\$ 5,119	-4.05%	REDLINED	\$ (1.25)	6
	Journey	Mechanic II	\$ 33.61	\$ 5,826	\$ 32.82	\$ 5,688	-2.37%	REDLINED	\$ (0.80)	7
	Advanced	Mechanic III	\$ 36.14	\$ 6,264	\$ 36.10	\$ 6,257	-0.11%	REDLINED	\$ (0.04)	2
Parts	Journey	Parts and Materials Clerk	\$ 25.73	\$ 4,460	\$ 23.49	\$ 4,072	-8.70%	REDLINED	\$ (2.24)	3
	Advanced-Lead	Lead Parts and Materials Clerk	\$ 31.95	\$ 5,538	\$ 28.19	\$ 4,886	-11.77%	REDLINED	\$ (3.76)	1
	Supervisor	Parts and Materials Supervisor	\$ 38.32	\$ 6,642	\$ 31.71	\$ 5,497	-17.24%	REDLINED	\$ (6.61)	1
Planning Data Analyst	Journey	Planning Data Analyst	\$ 38.75	\$ 6,717	\$ 38.26	\$ 6,631	-1.28%	REDLINED	\$ (0.50)	1
Purchasing	Advanced-Lead	Purchasing Agent	\$ 39.55	\$ 6,855	\$ 37.93	\$ 6,575	-4.08%	REDLINED	\$ (1.62)	0
Revenue Collection	Supervisor	Revenue Collection Supervisor	\$ 36.14	\$ 6,264	\$ 32.39	\$ 5,615	-10.36%	REDLINED	\$ (3.74)	0
Vehicle Service	Entry	Vehicle Service Worker I	\$ 21.60	\$ 3,744	\$ 21.14	\$ 3,665	-2.11%	REDLINED	\$ (0.46)	4
	Journey	Vehicle Service Worker II	\$ 23.80	\$ 4,125	\$ 23.49	\$ 4,072	-1.28%	REDLINED	\$ (0.31)	5