



A regular meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District was convened on Friday, May 23, 2014 at the Santa Cruz METRO Administrative Offices, located at 110 Vernon Street, in Santa Cruz, California.

SECTION I: OPEN SESSION

1. CALL TO ORDER

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

2. ROLL CALL

The following Directors were present:

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| Director Hilary Bryant | <input checked="" type="checkbox"/> |
| Director Dene Bustichi | <input checked="" type="checkbox"/> |
| Director Karina Cervantez | <input checked="" type="checkbox"/> |
| Director Daniel Dodge | <input checked="" type="checkbox"/> |
| Director Zach Friend | <input type="checkbox"/> |
| Director Ron Graves | <input checked="" type="checkbox"/> |
| Director Michelle Hinkle | <input checked="" type="checkbox"/> |
| Director Deborah Lane | <input checked="" type="checkbox"/> |
| Director John Leopold | <input checked="" type="checkbox"/> |
| Director Bruce McPherson | <input checked="" type="checkbox"/> |
| Director Lynn Robinson | <input checked="" type="checkbox"/> |
| Ex-Officio Director Donna Blitzer | <input type="checkbox"/> |

STAFF PRESENT

Alex Clifford, CEO/General Manager
Leslyn Syren, District Counsel

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

Ciro Aguirre, Operations Manager
Angela Aitken, Finance Manager
Erron Alvey, Purchasing Manager
Robert Cotter, Maintenance Manager
Eduardo Montesino, UTU Representative
Carolyn Derwing, SEA President
Frank Cheng, Project & IT Manager
Anna Marie Gouveia, Fixed Route Superintendent

Robyn Slater, HR Manager
Liseth Guizar, Security, and Risk Administrator
Debbie Kinslow, Assistant Finance Manager
Manny Martinez, PSA President, SEIU
Will Regan, VMU President, SEIU
April Warnock, Paratransit Superintendent
Daniel Zaragoza, Assistant Paratransit Superintendent

3. ANNOUNCEMENTS

Chair Bustichi asked Ciro Aguirre to address the Board and the public.

Mr. Aguirre announced that it is with great sadness that he reported the passing of Mary Ferrick, the previous Fixed Route Superintendent, who lost her battle with cancer on Monday, May 19. He went on to say Mary had been originally hired in 1979 and started as a Bus Operator. Her career spanned 33-year years with Santa Cruz METRO and she carried out her duties with commitment and devotion to the employees, the community, and to our system. Mr. Aguirre, on behalf on the entire staff at METRO, extended condolences to Mary’s family and friends.

Chair Bustichi followed with a call for a moment of silence with thoughts and prayers with Mary and her family.

4. COMMUNICATIONS TO THE BOARD OF DIRECTORS

Chair Bustichi welcomed any communication in regards to Mary Ferrick’s passing or any communication that is not on the agenda.

Director Leopold spoke about his personal connection to Ms. Ferrick. He stated that she was instrumental in his understanding of the Santa Cruz METRO system and had taken personal time to come to his home. He further stated that she was a friend of his family and will be greatly missed.

Director Leopold took a moment to state that it was a very exciting day in Live Oak. For such a large unincorporated area, they have not had any medical office and that in the afternoon there would be the ribbon cutting of the new East Cliff Medical Center.

Chair Bustichi thanked Director Leopold and gave his congratulations.

5. LABOR ORGANIZATION COMMUNICATIONS

Eduardo Montesino addressed the Board and acknowledged his connection to Ms. Ferrick. She was a stellar employee and she was one of the founders of UTU. Under her leadership the United

Transportation Union 23 is where it is today. He shared that she will be remembered and is recognized on behalf of all the members of UTU 23.

Will Regan shared his sadness at the passing of Ms. Ferrick. He stated that he and Ms. Ferrick had been working together throughout her career and that she will be deeply missed.

Manny Martinez, SEIU, stated that he and Ms. Ferrick had worked closely and will be very deeply missed by all of Operations.

Carolyn Derwing, SEA Union President, shared that Ms. Ferrick was well liked and well loved by everyone who she met. She had a great work ethic and great personal ethic and will be missed very much.

Chair Bustichi referenced back to the Communications to the Board that there is one letter in regards to expanding service on Highway 17 Express.

4-1. Email from Dustin Mulvaney Regarding Highway 17 Express

Chair Bustichi acknowledged that he had spoken with the CEO/General Manager after the 10th anniversary of the 17 Express and we are in the midst of an evolution and may be at Phase 2. He acknowledged that it is an important service in the community and that he had hopes that we will expand upon it.

6. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

Chair Bustichi notified the assembly that the Closed Session would be moved to the end of the meeting in opposition to where it was placed in the agenda.

7. CLOSED SESSION MOVED TO END OF MEETING

CONSENT AGENDA

8-1. ACCEPT AND FILE MONTHLY ACCESSIBLE SERVICES REPORT FOR MARCH 2014

8-2. ACCEPT AND FILE VOTING RESULTS FROM APPOINTEES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR PREVIOUS MEETINGS

8-3. ACCEPT AND FILE METROBASE STATUS REPORT FOR MAY 2014

8-4. APPROVE MINUTES OF BOARD OF DIRECTORS MEETING OF MAY 9, 2014

8-5. CONSIDERATION OF TORT CLAIM: REJECT THE CLAIM OF CHARLENE LEGG #14-0008

8-6. CONSIDERATION OF FUNDING THE CONTRACT WITH ALLIANT INSURANCE SERVICES, INC., FOR

INSURANCE BROKER SERVICES AND PAYMENT OF THE PREMIUM FOR EXCESS WORKERS' COMPENSATION INSURANCE THROUGH THE CALIFORNIA STATE ASSOCIATION OF COUNTIES EXCESS INSURANCE AUTHORITY (CSAC EIA)

- 8-7. CONSIDERATION OF AUTHORIZING THE CEO/GENERAL MANAGER TO EXECUTE A 90-DAY CONTRACT EXTENSION WITH CLEVER DEVICES LTD., FORMERLY GREYHAWK TECHNOLOGIES, INC., FOR PURCHASE AND IMPLEMENTATION OF A MOBILE DATA SYSTEM**
- 8-8. CONSIDERATION OF AWARD OF CONTRACT WITH KCEI CONSTRUCTION, INC. FOR THE APPLICATION OF CHIP SEAL ON UNPAVED PARKING LOT AND RELATED SITE WORK IN AN AMOUNT NOT TO EXCEED \$47,200**
- 8-9. A RESOLUTION OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT BOARD OF DIRECTORS ESTABLISHING AMENDMENT TO THE BYLAWS RELATED TO DIRECTOR COMPENSATION AND REIMBURSEMENT**
- 8-10. CONSIDERATION OF ISSUING A FORMAL INVITATION FOR BIDS FOR HAZARDOUS MATERIALS ABATEMENT AT 1200 RIVER STREET**

Hearing no comment nor objection from the Board, Chair Bustichi entertained a motion for the Consent Agenda.

ACTION: MOTION: DIRECTOR DODGE SECOND: DIRECTOR LEOPOLD

Alex Clifford appealed to the Board and requested that item 8.8 be continued for 30 days.

Chair Bustichi acknowledged that he knew this was to be pulled and asked the Board for a new motion to approve the moving of that item.

ACTION: MOTION: DIRECTOR DODGE SECOND: DIRECTOR CERVANTEZ

APPROVE CONSENT AGENDA WITH THE POSTPONEMENT OF ITEM 8.8.

MOTION PASSED UNANIMOUSLY WITH DIRECTOR FRIEND AND EX-OFFICIO BLITZER BEING ABSENT.

REGULAR AGENDA

9. EMPLOYEE LONGEVITY AWARDS

Chair Bustichi presented an Employee Longevity Award to George Felder for 30 years of service and asked Mr. Felder to come forward and speak to the assembly. Chair Bustichi extended the appreciation of the Board and thanked Mr. Felder for his dedication stating that it was excellent.

Mr. Felder stated that 30 years went quickly and has watched his kids grow up and go to college. He

has enjoyed helping people get to where they want to go. He thanked the Board.

The awards for Federico Rocha and Catalino Vasquez were postponed until June 27th Board Meeting.

10. CONSIDERATION OF RESOLUTION OF APPRECIATION FOR THE SERVICES OF KATHLEEN A. REED AS BUS OPERATOR FOR THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Chair Bustichi acknowledged the great service of Kathleen Reed to Santa Cruz METRO. Ms. Reed was not in attendance at the time of the presentation.

ACTION: MOTION: DIRECTOR LEOPOLD SECOND: DIRECTOR GRAVES

APPROVE THE RESOLUTION OF APPRECIATION FOR THE SERVICES OF KATHLEEN A. REED.

MOTION PASSED UNANIMOUSLY WITH DIRECTOR FRIEND AND EX-OFFICIO BLITZER BEING ABSENT.

11. PUBLIC HEARING ON FY15 AND FY16 DRAFT FINAL OPERATING AND CAPITAL BUDGET

Angela Aitken, Finance Manager, presented the public hearing of the Draft Agenda. Ms. Aitken stated that starting with the 2-year budget review was important to see where we have been and where we stand today when approaching where we are going in FY15 & FY16. She stated that Finance would submit the final FY15 and FY16 Budget in June and distribute this information in July. She further stated that this budget assumes no service changes and assumes no fare increases.

She proposed that due to a 3% growth in passenger fares, a significant decrease in interest income due to the spending capital money on major projects, and approximate 7% increase in Sales Tax, that Santa Cruz METRO is on the road to recovery.

Ms. Aitken spoke to the AMBAG & CTC Money; Santa Cruz METRO was given a \$40K planning grant last year. They have not fully used that money and will be rolling over the funds to the next year. There is no anticipation of another grant.

Director Leopold asked if we are looking at a 7-year average for FTA, do we also look at the same period for AMBAG and CTC. Ms. Aitken affirmed that is the process. Director Leopold further asked what the average of that was. Ms. Aitken replied that they see around \$10K but that there are spikes but not every year. She stated that it is dependant on the specific grants that are awarded.

Director McPherson asked that as the passengers fares account for 20% of our revenue, is that average in like sized transit districts. Mr. Clifford replied that he would like to take the time to look into that more carefully to make sure that we are getting the correct information. He asks to bring that back to the board with the next month. Director McPherson stated that would be fine.

Director Dodge stated that he also had some difficulty with the estimates on the FY15 AMBAG & CTC amounts. He stated that the amount seemed very low compared to the last few years. He asked why

there is a drop off from \$59K to \$10K. Ms. Aitken replied that there was an analysis done on the amount of money that has consistently been given to Santa Cruz METRO over the last 7 years; historically this is around \$10K of Operating money. Director Dodge asks for the 7-year data analysis and Ms. Aitken replied that she would get that to him.

Chair Bustichi asked if Ms. Aitken could explain the transfer from Operating reserves and the differential showing in her presentation. Ms. Aitken said that as you go through the analysis that the Fuel Tax Credit is not applied to FY15 & FY16 as we do not have authorization for that credit and that it is uncertain whether it would be extended into the upcoming years. She said approximately \$1M needs to be transferred. She further stated that because we do not have other monies for FY15 and with expected expenses, \$3.5M is needed to balance the budget.

Ms. Aitken proceeded with her presentation, speaking to the expected personnel versus non-personnel expenses.

Director Lane asked if they were giving up on the Customer Service Representative position. Mr. Clifford answered that his plan is to come back to the Board, possibly with a revised approach in September. He said that there were things like the Customer Service Department that he wanted to investigate - to see how it functions and how it can function better. He asked the Board their permission to bring this back in a September with a potential revise. Chair Bustichi stated that in the previous meeting, the decision was made to hold off on making any personnel decisions until the General Manager had a chance to really see how things are run and to be given the opportunity to make the changes as he saw fit. Director Lane thanked the Board.

Ms. Aitken continued the presentation and spoke to the Potential Operating Dollar Sources in regards to STA and referencing back to the Fuel Tax Credit.

Director Leopold asked if this was part of the transportation bill, stating that as this is determined in the early summer that they should know soon. Mr. Clifford answered that usually this legislation comes up in October and historically they have passed that deadline. Mr. Clifford further stated that some of the legislature coming from Washington and the State level and that the information would be presented to the Board as that comes in.

Ms. Aitken continued the presentation into the Capital Budget. She concluded that after the Board considers public comment and other analysis, the Board would direct staff to prepare the FY15 & FY 16 Final Budget for the June 27, 2014 meeting.

Director McPherson stated that he had attended the legislative conference the previous week and that, at that time, it looked very promising that the Governor was going to give back or start to give back in \$900M in unfunded mandates pre 2004. Unfortunately, neither Senate nor the Legislative Assembly put that into the budget and it will be tough to put it back. He questioned staff how much of unfunded budget Santa Cruz METRO has access to. For instance, over \$10.6M that is owed to Santa Cruz county and \$900M statewide and \$600M to counties alone and \$300M to cities and special

districts. Director McPherson stated he wanted to get a sense of how much that it is so he can make a pitch. He asked Ms. Aitken if she knows the amount. Ms. Aitken said that she would get back to Director McPherson with that information. Director McPherson thanked Ms. Aitken.

Chair Bustichi asked for further questions. Hearing none, he confirmed that this was a public hearing and questioned if the hearing would continue. General Counsel, Leslyn Syren, replied that the budget would come back for adoption at a later date. Chair Bustichi asked if the hearing would remain open during the interim. Ms. Syren replied in the negative.

Chair Bustichi asked if the public wished to speak on this hearing and asked for those interested to come forward. Seeing none, he asked if there were any further questions from the members of the Board. Hearing none, he extended his thanks to Ms. Aitken for the presentation.

Chair Bustichi closed the public hearing.

12. ANNOUNCEMENT OF NEXT MEETING

Chair Bustichi announced the next meeting Friday, June 13, 8:30 a.m., at the Santa Cruz Metro Administrative Offices, 110 Vernon Street, Santa Cruz.

13. ADJOURNMENT

Chair Bustichi adjourned to Closed Session at 9:45. He asked Ms. Syren to announce the topics of the Closed Session.

Ms. Syren reported the topics that will be covered in the closed session and also commented that she did not foresee the need to reconvene with report of closed session.

Chair Bustichi thanked counsel and closed the meeting.

SECTION II: CLOSED SESSION