



A regular meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District was convened on Friday, October 10, 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

Vice Chair Robinson called the meeting to order at 8:33 a.m.

2. ROLL CALL

The following Directors were present:

- | | |
|-----------------------------------|-------------------------------------|
| 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 type="checkbox"/> |
| Director Zach Friend | <input checked="" 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 checked="" type="checkbox"/> |

STAFF PRESENT

Alex Clifford, CEO

Leslyn K. Syren, District Counsel

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

Angela Aitken, Santa Cruz METRO

April Warnock, Santa Cruz METRO

Carolyn Derwing, SEA / Santa Cruz METRO

Daniel Zaragoza, Santa Cruz METRO

Suzanne Silva, Santa Cruz METRO

Debbie Kinslow, Santa Cruz METRO

Erron Alvey, Santa Cruz METRO

George Dondero, Santa Cruz County RTC

3. ANNOUNCEMENTS

None

4. COMMUNICATIONS TO THE BOARD OF DIRECTORS

Vice Chair Robinson opened the room for announcements.

Liseth Guizar reminded the Board about the company picnic and shared the event artwork, designed by Bus Operator , Crystal Clark. Director Lane showed the artwork on a t-shirt. Vice-Chair Robinson encouraged attendance to the picnic and thanked the artist for her “stunning design” on behalf of the Board.

Director Leopold arrived at 8:37.

Public comment: None.

5. LABOR ORGANIZATION COMMUNICATIONS

Eduardo Montesino requested staff relief vehicles be washed. He expressed concern about liability issues as Operators were reporting they could not see out of the windows.

Mr. Montesino also stated they were experiencing contract issues that made it very difficult for employees to come back to work.

6. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

Mr. Clifford called attention to a revision to the agenda due to a spelling error.

CONSENT AGENDA

7-1. NOTICE OF ACTION TAKEN IN CLOSED SESSION

7-2. ACCEPT AND FILE MINUTES OF BOARD OF DIRECTORS MEETING OF SEPTEMBER 26, 2014

Director Graves stated item 7-2 indicated he was present during the September 26th Board meeting when he was not. He asked staff to make the correction.

Public comment: None.

ACTION: MOTION: LEOPOLD SECOND: HINKLE

APPROVED CONSENT AGENDA WITH THE CAVEAT THAT STAFF ADJUSTS THE MINUTES TO REFLECT DIRECTOR GRAVES’S ABSENCE.

MOTION PASSED UNANIMOUSLY WITH DIRECTORS CERVANTEZ AND DODGE ABSENT.

REGULAR AGENDA

8. ORAL REPORT ON FEDERAL LEGISLATIVE UPDATE FROM CAPITAL EDGE

After an introduction by the CEO, Chris Giglio with Capital Edge gave an oral report updating the Board on Federal Legislation. His report highlighted the following:

- The Highway Trust Fund would run out of money soon. Congress infused this with \$20M, which carries over until May 2015.
- MAP21 is set to expire and there was discussion over reauthorization of the bill
- Increase in gas tax – favored by both Republican and Democrat parties
- STIC was level funded but Congressman Farr was working to double the amount
- MAP21 was made into a formula then available funding was cut in half
- There was a threat to tax exemption on municipal bonds
- The Marketplace Fairness Act - collection of taxes from primarily online, out of state, purchases

Ex-Officio Blitzer arrived at 8:41am.

Chair Bustichi thanked Mr. Giglio for his report and for his service to Santa Cruz METRO. He asked for insight on the progress of the Bus Coalition. Mr. Giglio stated the coalition had been successful but were getting pushback from Congress.

Chair Bustichi asked if there would be new funding for alternate fuel vehicles. Mr. Giglio stated there was nothing significant at that time.

Director Cervantez arrived at 8:48am.

Director Leopold asked if there was a preference to fund CNG buses versus electric buses. Mr. Giglio replied that he did not see a preference at this time. He stated most districts were going with CNG.

Vice-Chair Robinson thanked Mr. Giglio and acknowledged his and his company's service.

9. ORAL REPORT ON STATE LEGISLATIVE UPDATE FROM SHAW/YODER/ANTWIH, INC.

Josh Shaw with Shaw/Yoder/Antwih, Inc. gave an oral report updating the Board on State Legislation. His report highlighted the following:

- Senator Monning sponsored the bill (sb1236) which passed – allowed Santa Cruz METRO employees and contracted security officers to issue citations. Mr. Shaw stated this was becoming a statewide measure.
- State bill (Assembly Bill No. 1720) passed – gave a 1 year reprieve to work with federal partners to set a better policy on maximum weight of buses
- Cap & Trade – 60% slated to go back to transportation

Chair Bustichi asked if the Air Resources Board (ARB) was tied to air quality and would that

affect accessibility to funding. Mr. Shaw stated the money was short term in R&D but he expected in the long term, the money would go to transit districts.

Director McPherson stated there were special funds for rail service and asked if there was special funding for other agencies. Mr. Shaw said 5% of Cap and Trade was to improve greenhouse emissions. He believed increasing ridership in specific corridors might qualify for that funding, under Affordable Housing. There was a push for integrative connectivity for which he believed Highway 17 could qualify. Mr. Shaw stated he would work with staff towards that opportunity.

Vice-Chair Robinson thanked Mr. Shaw and acknowledged his and his company's service.

Mr. Shaw thanked the Board and thanked Mr. Eduardo Montesino and Les White for their help with setting the meeting with Assemblymember Alejo.

10. BUDGET WORKSHOP III OF VIII

Mr. Clifford and Staff reviewed slides that addressed questions from the previous workshop and introduced new information which included:

- Service snapshot
- Definitions of Key Performance Indicators
- Overview of Farebox Recovery Ratio
- Performance Indicators by Route & Service Type
- ParaCruz Performance Indicators
- Presentation of Peer Data
- Developing Service Guidelines

In order of appearance, those who presented were Angela Aitken, Finance Manager; Thomas Hiltner, Grants/Legislative Analyst; Robyn Slater, HR Manager; Erich Friedrich, Sr. Transit Planner; Carolyn Derwing, Schedule Analyst; April Warnock, Paratransit Superintendent; and Debbie Kinslow, Assistant Finance Manager.

Questions and comments were raised as follows:

Slide 10.4: Director Leopold asked what percentage of the wages were cash-outs. Ms. Aitken replied the payouts in FY13 were \$450K.

Director McPherson asked if there was any indication when payouts would happen. Ms. Aitken replied the agreement stated employees could take a payout at any time. She acknowledged there was a time when several long-term employees retired at the same time, which contributed to an increase of withdrawals during FY13.

Vice Chair Robinson asked if Ms. Aitken what the amount was for the 28 extra employees. Ms. Aitken replied it was approximately \$2M for the additional employees. Vice-Chair Robinson also asked for a breakdown of the other amounts. Ms. Aitken responded that COLA's were approximately \$.5M and longevity was approximately \$350K.

Director Friend asked if the cash-outs were capped. Ms. Aitken replied they were not.

Director Leopold asked for confirmation on the year when there was the large group of retirees. Ms. Slater replied she would get back to the Board with that information.

Slide 10.6: Director Leopold said that the figures looked like they had good odds. He thanked Mr. Hiltner for his work.

Slide 10.8: Director McPherson asked how many Highway 17 passengers there were per day. Mr. Friedrich replied that there were approximately 1,200.

Slide 10.10: Director Leopold asked how the equation was weighted. He used the San Lorenzo Valley as an example and stated the PPH may be lower but they still deserved service. Mr. Friedrich acknowledged this as a good question as some service had higher service hours, but with fewer passengers lowered the Passenger Per Hour figure. He acknowledged the need to talk about policies and guidelines, as a District, to determine how much service to allocate to those regions.

Chair Bustichi asked how this information compared to other agencies. Mr. Friedrich replied that they would cover that later in the presentation.

Slide 10.17: Director Leopold commented that intercity service had routes that are more efficient in comparison.

Chair Bustichi asked if the data included return hours on Highway 17. Mr. Friedrich and Ms. Derwing said the data did not include deadhead hours.

Slide 10.22: Mr. Montesino questioned why post employee benefits were included in ParaCruz comparisons but not Fixed Route. Ms. Kinslow replied they were required to include the data as per the requirement of NTD. Fixed Route was not based upon NTD information and did not have the same requirements.

Director Friend asked what made the large increase in KPI. Ms. Warnock replied that the contributing factors included general liability, cost of fuel, fringe benefits and vehicle repair. Director Friend asked why it was higher than other areas of METRO.

Director Leopold suggested that as ParaCruz fleet was a gas powered versus a CNG powered fleet that may contribute to the discrepancy.

Mr. Clifford stated he would bring back to the Board information of the different components that distinguished Fixed Route to ParaCruz.

Slide 10.23: Chair Bustichi asked what the average distance was for ParaCruz. Ms. Warnock

answered that it was a little over 5 miles. Chair Bustichi confirmed for five miles of service the cost was \$57.

Slide 10.29: Chair Bustichi asked if they considered Watsonville to Santa Cruz a Commuter Route or just Highway 17. Mr. Friedrich confirmed it was just Highway 17.

Slide 10.32: Director Bryant asked which of the agencies have commuter data. Mr. Friedrich replied that MST and Empire have commuter routes.

Slide 10.33: Director Leopold asked for clarification on the Akron data; how was it both not costly and heavily subsidized? Mr. Friedrich replied that their fare structure might be very low or they may be carrying fewer passengers.

Slide 10.35: Mr. Montesino asked for confirmation on the difference between curb-to-curb and door-to-door service. Ms. Warnock stated curb-to-curb was assistance from the curbside, which is the ADA minimum. Door-to-door was assistance from door of departure through door of destination.

Director Leopold asked what the hours of operation were for BTM in Texas. Ms. Warnock answered they operate from 5am to 5pm.

Chair Bustichi confirmed that WTA in Washington offered free rides on Fixed Route to those who qualify.

Slide 10.45: Director McPherson stated that they had to have some process of promoting METRO to increase service. Ms. Derwing acknowledged there was a need for a greater marketing focus.

Directors Lane, Hinkle and Leopold thanked Staff for their thorough and clear presentation.

Director Cervantez observed a drop in grant money and questioned what the sources of revenue were for the peer agencies in comparison. Mr. Hiltner replied that he would bring that information back to the Board.

Director McPherson asked Mr. Giglio and Mr. Shaw if they saw other transit districts facing the same problems. Mr. Shaw replied that the data was accurate and very similar to all districts. Mr. Giglio stated METRO was doing better on STIC than peers but nationally, all agencies were dealing with the same questions.

Public comment:

Mr. Montesino stated Santa Cruz METRO had invested a lot in service. He acknowledged the Board had difficult decisions ahead but urged them to keep in mind the company was a unique apple.

George Dondero, Executive Director of SCCRTC, thanked Mr. Clifford and Staff for a good presentation. He stated there was a grant to increase marketing, in which Santa Cruz METRO was included. He stated RTC was more than half way through the Rail Feasibility Study and would be presenting the findings in their December meeting.

Vice-Chair Robinson acknowledged the Board must have conversations about the budget deficit. She stated riding on a Santa Cruz METRO bus is a good experience and they wanted to keep the service the best it could be. She thanked Mr. Clifford and Staff for a job well done.

11. REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION

Ms. Syren reviewed the Closed Session items.

Public comment: None

12. ANNOUNCEMENT OF NEXT MEETING: FRIDAY, OCTOBER 24, 2014 AT 9:00 AM, SANTA CRUZ CITY COUNCIL CHAMBERS, 809 CENTER ST, SANTA CRUZ, CA

Vice-Chair Robinson announced the following meeting.

13. ADJOURNMENT

Meeting adjourned at 10:59am.

Respectfully submitted by Eriko K. Dreyer, Temporary Administrative Assistant.