

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
BOARD OF DIRECTORS **CORRECTED** MEETING MINUTES
REGULAR MEETING
FEBRUARY 13, 2015 – 8:30 AM
METRO ADMIN OFFICES
110 VERNON STREET
SANTA CRUZ, CA 95060**

A regular meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District (METRO) was convened on Friday, February 13, 2015, at the METRO Admin Offices at 110 Vernon Street in 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.

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SECTION I: OPEN SESSION

1 SWEAR IN NEW DIRECTORS

Leslyn Syren, METRO General Counsel, was present to swear in METRO's new Director: Don Lane, representing City of Santa Cruz

2 CALL TO ORDER at 8:30A

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

Director Dene Bustichi (Chair)	City of Scotts Valley
Director Ed Bottorff	City of Capitola
Director Karina Cervantez	City of Watsonville
Director Cynthia Chase	City of Santa Cruz
Director Jimmy Dutra	City of Watsonville
Director Zach Friend	County of Santa Cruz
Director Deborah Lane	County of Santa Cruz
Director Don Lane	City of Santa Cruz
Director John Leopold	County of Santa Cruz
Director Bruce McPherson	County of Santa Cruz
Director Mike Rotkin	County of Santa Cruz
Ex-Officer Director Donna Blitzer	UCSC

STAFF PRESENT:

Alex Clifford, CEO
Leslyn Syren, General Counsel

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

Heather Adamson, AMBAG
Angela Aitken, METRO
Erron Alvey, METRO
Carolyn Derwing, METRO

Debbie Kinslow, METRO
Suzanne Silva, METRO
Daniel Zaragoza, METRO

4 ANNOUNCEMENTS

Chair Bustichi opened the microphone to attendees for announcements. Hearing none, the meeting proceeded to the next agenda item.

5 COMMUNICATIONS TO THE BOARD OF DIRECTORS

Chair Bustichi opened the microphone to attendees for announcements at 8:33A. He noted that any comments should be limited to three minutes. With no requests from the assembly, the meeting proceeded to the next agenda item.

6 LABOR ORGANIZATION COMMUNICATIONS

Chair Bustichi opened the microphone to the assembly.

Will Regan, VMU Representative, Carolyn Derwing, SEIU-SEA President, Manny Martinez, SEIU Representative, and Eduardo Montesino, representing UTU/ParaCruz Operators, each stood to introduce themselves to the newest Board member and welcome him aboard.

7 ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

Chair Bustichi announced additional documentation had been distributed at each Board member's chair and was available for the public at the rear of the Chambers:

- Letter to the Board from the Metro Advisory Committee (MAC);
- Letter to CEO Clifford from Philip Kramer, Director of 180/180; and,
- Pages 3 and 4 of Attachment K to Agenda Item 8-06.

CONSENT AGENDA

- 8-01 ACCEPT AND FILE PRELIMINARY APPROVED CHECKS JOURNAL DETAIL FOR THE MONTH OF NOVEMBER 2014
- 8-02 ACCEPT AND FILE MINUTES OF THE SANTA CRUZ METRO BOARD OF DIRECTORS MEETING OF JANUARY 23, 2015
- 8-03 ACCEPT AND FILE MINUTES FOR THE METRO ADVISORY COMMITTEE MEETING (MAC) OF JANUARY 21, 2015
- 8-04 ACCEPT AND FILE THE ACCESSIBLE SERVICES REPORTS FOR THE MONTHS OF OCTOBER, NOVEMBER AND DECEMBER 2014
- 8-05 ACCEPT AND FILE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION (SCCRTC) MEETING MINUTES FROM JANUARY 15, 2015
- 8-06 APPROVAL OF CLASS SPECIFICATIONS AND WAGE SCALES FOR PREVIOUSLY APPROVED POSITIONS
- 8-07 CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A CONTRACT AMENDMENT WITH EPICOR FOR AN HR SOFTWARE UPGRADE IN AN AMOUNT NOT TO EXCEED \$80,000

ACTION: MOTION TO ACCEPT THE CONSENT AGENDA AS PRESENTED
MOTION: DIRECTOR ROTKIN SECONDED: DIRECTORS McPHERSON & LEOPOLD

MOTION PASSED UNANIMOUSLY WITH 11 AYES (Directors Bustichi, Bottorff, Cervantez, Chase, Dutra, Friend, Deborah Lane, Don Lane, Leopold, McPherson, Rotkin)

REGULAR AGENDA

- 9 PRESENTATION OF EMPLOYEE LONGEVITY AWARDS**
Chair Bustichi presented Aurora Trinidad and Jaime Perez Garcia with Certificates of Appreciation for their respective 10 years of service and Raymundo Marquez for his 15 years of service. Aurora, Jaime and Raymundo expressed their appreciation to METRO and the Board for the recognition.
- 10 CONSIDERATION OF RESOLUTIONS OF APPRECIATION FOR JAMES LAM**
Chair Bustichi presented James Lam with his resolution. Mr. Lam thanked METRO, staff and the Board for their support during his tenure.

ACTION: MOTION TO ACCEPT THE RESOLUTION OF APPRECIATION FOR JAMES LAM AS PRESENTED
MOTION: DIRECTOR LEOPOLD SECONDED: DIRECTOR ROTKIN

MOTION PASSED UNANIMOUSLY WITH 11 AYES (Directors Bustichi, Bottorff, Cervantez, Chase, Dutra, Friend, Deborah Lane, Don Lane, Leopold, McPherson, Rotkin)

11 ACCEPTANCE OF FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED JUNE 30, 2014

Angela Aitken, Finance Manager, presented the Audit results noting that there had been no findings for the past two years. Kudos to the finance team! Director McPherson and Chair Bustichi echoed the appreciation to the finance team and thanked Angela for the outstanding results over the past eight years.

ACTION: MOTION TO ACCEPT THE FINANCIAL STATEMENTS WITH THE AUDITOR'S REPORT FOR THE YEAR ENDED JUNE 30, 2014 AS PRESENTED

MOTION: DIRECTOR McPHERSON SECONDED: DIRECTOR DON LANE

MOTION PASSED UNANIMOUSLY WITH 11 AYES (Directors Bustichi, Bottorff, Cervantez, Chase, Dutra, Friend, Deborah Lane, Don Lane, Leopold, McPherson, Rotkin)

12 YEAR TO DATE MONTHLY FINANCIAL REPORT AS OF NOVEMBER 30, 2014

Angela Aitken, Finance Manager, presented above referenced finance report. In response to Director Rotkin's question, Ms. Aitken clarified the differences between service charges, professional service charges and capital projects.

In response to Director McPherson's question regarding sales tax projections versus actuals, Ms. Aitken acknowledged that the projections were a bit high, but had been based on an average of 6.5% historically. She anticipates 4 – 4.5% by the end of the year. Director Leopold asked if the audit controller estimates were considered. Ms. Aitken noted that there are many benchmarks considered as well as a 7 year trend.

ACTION: MOTION TO ACCEPT THE MONTHLY FINANCIAL REPORT AS OF NOVEMBER 30, 2014 AS PRESENTED

MOTION: DIRECTOR ROTKIN SECONDED: DIRECTOR DON LANE

MOTION PASSED UNANIMOUSLY WITH 11 AYES (Directors Bustichi, Bottorff, Cervantez, Chase, Dutra, Friend, Deborah Lane, Don Lane, Leopold, McPherson, Rotkin)

13 RESPONSE TO BOARD CHAIR REGARDING POLLING COSTS

CEO Clifford provided history of this request for the benefit of the new Board members. He noted that the polling costs would be funded from capital and operating reserves.

Director Rotkin suggested that METRO conduct their own polling and join SCCRTC in a single tax measure/initiative. Director McPherson disagreed as the SCCRTC is a private polling and the results will not be available in March. He does agree that any METRO polling would be premature.

Director Leopold would prefer to work with SCCRTC collaboratively on a poll; one transportation measure should encompass everything rather than "pick off pieces".

14 CONSIDERATION OF METROBASE STATUS REPORT

Mr. Kreck gave a status update and some history of the project, noting that their focus is on solutions, partnering with the contractor for results in facilitated lines of communication. They have been successful in resolving the outstanding issues. The anticipated completion date is early Fall of this year. Director Leopold noted the completion is six months later than originally anticipated.

Chair Bustichi asked if there was an avenue to move the buses to the new site before construction is complete. Andy outlined the two stages to the project: 1) The parking lot will be completed first; and, 2) the building approximately two months later. Chair Bustichi noted that allowing the buses to move six months earlier in essence mitigates the six month delay.

Eduardo Montesino approached the podium to advise the Board and assembly that a 'trial run' had been conducted and did not demonstrate any savings. In fact, they discovered the need to hire more bus operators due to the additional time required for three shuttle drivers between the properties.

CEO Clifford addressed the assembly, advising that there are many financial factors to consider; many have been factored into the project, including terminating the land leases at Dubois.

Chair Bustichi suggested collaboration between Mr. Montesino and METRO.

ACTION: MOTION TO PRESENT A COST PLAN FOR RELOCATING THE BUSES TO THE METROBASE PROJECT SITE AT THE MARCH 27, 2015 MEETING.

**MOTION: DIRECTOR ROTKIN SECONDED: DIRECTOR McPHERSON
MOTION PASSED UNANIMOUSLY WITH 11 AYES (Directors Bustichi, Bottorff, Cervantez, Chase, Dutra, Friend, Deborah Lane, Don Lane, Leopold, McPherson, Rotkin)**

15 CONSIDERATION OF AUTHORIZING THE CEO TO NEGOTIATE AND EXECUTE CONTRACT CHANGE ORDERS WITH LEWIS C. NELSON AND SONS, INC. FOR CONSTRUCTION OF THE JUDY K. SOUZA OPERATIONS FACILITY, PARKING STRUCTURE AND RELATED SITE WORK

Mr. Kreck outlined the change order process and brought the Board and Assembly up to date regarding the change orders.

Director Leopold asked if a sub-committee was in place to provide assistance to the CEO on projects such as these. CEO Clifford asked for time to consider this idea; change orders will continue as a monthly report so unsure how the sub-committee would interface. Chair Bustichi clarified that the sub-committee would be available to scrutinize these types of project issues while noting it may be more efficient to create a sub-committee as the project nears completion.

General Counsel Syren reminded the Board of the \$50K change order authority which is currently in place. Her concern is the lack of a financial cap on the CEO's authority to approve change orders.

Eduardo Montesino noted from the podium that he had served on an RTC sub-committee and it was helpful to provide perspective to their Board. He encourages the addition of an ad hoc committee.

Directors Bottorff and Deborah Lane volunteered to be a member of the ad hoc committee. Slate to be presented at the February 27, 2015 Board meeting.

Director Rotkin suggested being more careful about negative comments in Board reports.

ACTION: MOTION TO CONSIDER THE CREATION OF A SUB-COMMITTEE AND APPOINTEES TO PROVIDE ASSISTANCE TO THE CEO ON THE METROBASE PROJECT; INCLUDING A RESOLUTION TO CAP THE CEO/GENERAL MANAGER'S CHANGE ORDER AUTHORITY AT THE MARCH 27, 2015 BOARD MEETING.

**MOTION: DIRECTOR ROTKIN SECONDED: DIRECTOR LEOPOLD
MOTION PASSED UNANIMOUSLY WITH 11 AYES (Directors Bustichi, Bottorff, Cervantez, Chase, Dutra, Friend, Deborah Lane, Don Lane, Leopold, McPherson, Rotkin)**

16 CONSIDERATION OF AN UPDATE TO PROVIDING DISCOUNT OR GROUP BUS PASSES TO THE 180/180 PROGRAM

COO Aguirre provided the history of the request for the benefit of the new Board members. Staff is proposing the discounted bulk passes as the best option available at this time.

Director Leopold expressed his disappointment that METRO cannot be part of the homeless solution. Director McPherson agrees that it would be difficult to do anything else, citing the current financial situation, and the gifting of public funds is a valid concern. He suggested we wait and see how the budget discussions settle out.

Director Deborah Lane said that METRO is about serving the community and relayed the successes of the Hotel St. George's homeless program.

Director Rotkin agreed that we don't have the financial or legal authority to use public funds in this manner; i.e., for free services.

Director Don Lane is familiar with the issues and appreciates the alternatives offered. Can we consider a category of programs to deal with poverty issues in the community?

Directors Leopold, Don Lane and Deborah Lane expressed a desire to work together to identify additional options. Director Friend cautioned any perception of favoritism.

ACTION: MOTION TO DENY THE REQUEST AND ALLOW DIRECTORS DON LANE, DEBORAH LANE AND LEOPOLD TO INVESTIGATE FURTHER AND IDENTIFY ADDITIONAL OPTIONS.

MOTION: DIRECTOR ROTKIN SECONDED: DIRECTOR McPHERSON

MOTION PASSED UNANIMOUSLY WITH 11 AYES (Directors Bustichi, Bottorff, Cervantez, Chase, Dutra, Friend, Deborah Lane, Don Lane, Leopold, McPherson, Rotkin)

Director Friend departed at 9:48A

17 CONSIDERATION OF AMENDMENTS TO THE BYLAWS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT'S BOARD OF DIRECTORS

General Counsel Syren outlined the requested amendments to the Bylaws.

Director Deborah Lane expressed her opinion of asked a question regarding the powers versus the duties of a CEO. General Counsel Syren explained that there are three documents which, blended together, outline these differences: The enabling statutes, the Bylaws and the pertinent job description or contract of the CEO. CEO is a title used more frequently in this industry.

In Director Deborah Lane's opinion Section 1.2.201, Agenda; Notification and Posting, grants too much power to the CEO/General Manager. General Counsel Syren explained the permitted flexibility does not change this Section nor other Brown Act regulations.

ACTION: MOTION TO ACCEPT THE AMENDMENTS TO THE BYLAWS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT'S BOARD OF DIRECTORS AS PRESENTED

MOTION: DIRECTOR McPHERSON SECONDED: DIRECTOR LEOPOLD

MOTION PASSED UNANIMOUSLY WITH 11 AYES (Directors Bustichi, Bottorff, Cervantez, Chase, Dutra, Friend, Deborah Lane, Don Lane, Leopold, McPherson, Rotkin)

18 NOMINATION OF CHAIR AND VICE CHAIR

Chair Bustichi introduced the topic, noting the unusual situation of adding five new Board members simultaneously. Director McPherson thanked Chair Bustichi for his contributions and outstanding job as Chair; he stressed the importance of having an experienced Board Chair and Vice Chair in place under the present situation.

Director Deborah Lane noted the 'shift' in North County representation.

With the above comments, the following slates were proposed:

Nominated by Director McPherson

- | | |
|--------------------|---------------|
| • Board Chair | Dene Bustichi |
| • Board Vice Chair | Mike Rotkin |

Nominated by Director Deborah Lane

- | | | |
|--------------------|------------------|------------|
| • Board Chair | Karina Cervantez | (declined) |
| • Board Vice Chair | Jimmy Dutra | (declined) |

Nominated by Director McPherson

- SCCRTC Representative Dene Bustichi

Director Dutra suggested a majority vote rather than a 'slate' approach. General Counsel Syren referred to the slate approach as stated in the Bylaws. Director Dutra will provide a slate before the next Board meeting. General Counsel Syren reminded the assembly of the Brown Act when creating the slate; i.e., not to exceed five Board members in one meeting or discussion.

Upon request, Secretary Pye read the proposed slates.

19 NOMINATION BY CHAIR OF SCCRTC AND PACIFIC STATION AD HOC APPOINTEES

Director Dutra expressed interest in joining the Ad Hoc Pacific Station Redesign. Chair Bustichi recommended Lynn Robinson remain as a "public/private citizen" representative on the Ad Hoc Pacific Station Redesign.

Chair Bustichi recommended that the nominations stay open until the February 27, 2015 Board meeting.

Nominees were:

Current
SCCRTC Representatives

Dene Bustichi
Vacant
Vacant

Nominated by
Dene Bustichi

Dene Bustichi
Karina Cervantez
Cynthia Chase

Nominated by
John Leopold

Karina Cervantez
Cynthia Chase
Ed Bottorff

Current
SCCRTC Alternates

Dene Bustichi
Vacant
Vacant

Nominated by
Dene Bustichi

Ed Bottorff
Mike Rotkin
Deborah Lane

Nominated by
John Leopold

Deborah Lane
Mike Rotkin
Dene Bustichi

Current AD HOC Pacific Station Redesign

Dene Bustichi
Bruce McPherson
Vacant

Nominated by Dene Bustichi

Dene Bustichi
Don Lane
Lynn Robinson (private citizen)

20 CONSIDERATION OF APPOINTING METRO DIRECTORS TO SERVE AS SANTA CRUZ CIVIC IMPROVEMENT CORPORATION (SCCIC) DIRECTORS

Finance Manager, Angela Aitken, explained the purpose of the SCCIC to the new Board members and assembly. There are four officers and one director whose terms ended December 31, 2014. Five new appointees must be determined. See the roster below:

Nominee

Director Rotkin
Director Leopold

Nominated by

Director Rotkin
Director Leopold

Director Deborah Lane
Director Bottorff
Director Friend

Chair Bustichi
Chair Bustichi
Chair Bustichi

The SCCIC annual meeting will be held during the February 27, 2015 Board meeting.

21 CEO TO GIVE ORAL REPORT

CEO Clifford brought the assembly up to speed on a number of items:

- Washington, DC reaction to the President's budget: The Grow America concept has the potential to increase resources threefold.
- Gas tax increase doesn't have a lot of traction; however, there remains "chatter".
- March 6-10 APTA Legislative Conference in Washington, DC: CEO Clifford is planning on attending and will promote METRO's legislative agenda.
- Public meetings to obtain public comment regarding potential fare increases. have been scheduled at five public libraries, presentations will be given to the four City Councils and the Board of Supervisors, announcements are posted on the website, announced in the Santa Cruz Sentinel and other media Comments received via email, snail mail will carry the same weight as in-person comments.

In response to Director Rotkin's question regarding Board member travel, CEO Clifford noted that the Bylaws state in Section 5.06(a), Director Compensation and Reimbursement:

(b) Unless authorized by the Board of Directors in advance, attendance at meetings of the American Public Transit Association and the California Transit Association shall be limited to the Board Chair and Vice-Chair, or an alternate designee, as approved by the Board Chair or Vice-Chair.

CEO Clifford suggested this subject be addressed after the next board meeting when the new Chair and Vice Chair are in place.

22 REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION

District Counsel Syren provided the Board and assembly with the history of PEPRA and the subsequent decision from the East District Court supporting the State and Sacramento RT's positions. To date, they have not certified funding for other agencies except for those under legislation this year.

Public comments:

Carolyn Derwing, SEIU-SEA President, asked what the effective date would be of a decision. General Counsel Syren answered that an extension of legislation for public utilities will expire. We will be required to conform to pension standards which are not much different from METRO's current standards. Contributions will be reduced from the current 8%. It is anticipated that new employees' retirement eligibility will change from 55 to 62. There may be other changes in store. However, there is no need for concern for another year.

Director Dutra departed at 10:13A

General Counsel Syren noted that there will be one matter discussed in Closed Session related to job employment. However, there will be no announcement after.

- 23 ANNOUNCEMENT OF NEXT MEETING: FRIDAY, FEBRUARY 27, 2015 AT 9:00 AM, WATSONVILLE CITY COUNCIL CHAMBERS, 275 MAIN STREET, WATSONVILLE**
Chair Bustichi announced the next meeting as referenced above.

Chair Bustichi thanked Raymundo Marquez for staying through the entire meeting.

SECTION II: CLOSED SESSION

Board vacated to closed session at 10:15A

SECTION III: RECONVENE TO OPEN SESSION

General Counsel had nothing to report.

- 24 ADJOURNMENT at 10:45A**
Chair Bustichi adjourned at 10:45A

Pursuant to Section 54954.2(a)(1) of the Government Code of the State of California, this agenda was posted at least 72 hours in advance of the scheduled meeting at a public place freely accessible to the public 24 hours a day. The agenda packet and materials related to an item on this Agenda submitted to the Board of Directors after distribution of the agenda packet are available for public inspection in the Santa Cruz METRO Administrative Office (110 Vernon Street, Santa Cruz) during normal business hours. Such documents are also available on the Santa Cruz METRO website at www.scmted.com subject to staff's ability to post the document before the meeting.