

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**Minutes- Board of Directors**

**June 24, 2005**

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A Regular Meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District met on Friday, June 24, 2005 at the Santa Cruz City Council Chambers, 809 Center Street, Santa Cruz, CA.

Chair Keogh called the meeting to order at 9:00 a.m.

## **SECTION 1: OPEN SESSION**

### **1. ROLL CALL:**

#### **DIRECTORS PRESENT**

Dene Bustichi  
Stephanie Harlan  
Michelle Hinkle  
Mike Keogh  
Emily Reilly  
Mike Rotkin (arrived after roll call)  
Dale Skillicorn  
Pat Spence  
Mark Stone  
Marcela Tavantzis

#### **DIRECTORS ABSENT**

Jan Beautz  
Ex-Officio Wes Scott

#### **STAFF PRESENT**

Frank Cheng, MetroBase Project Manager	Elisabeth Ross, Finance Manager
Mark Dorfman, Assistant General Manager	Robyn Slater, Human Resources Manager
Terry Gale, IT Manager	Judy Souza, Base Superintendent
Margaret Gallagher, District Counsel	Tom Stickel, Maintenance Manager
Steve Paulson, Paratransit Administrator	Les White, General Manager

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

Eulalio Abrego, UTU  
Jon Bartholomew, UTU  
Francisco Estrada, UTU  
Doug Grosjean, UTU  
Lenore Hindin, Former METRO Employee  
Gary Klemz, SEIU Field Representative  
Marc Krovetz, UTU  
Steve Marcus, UTU  
Ian McFadden, SEA

Carol Moore, UTU  
Bonnie Morr, UTU  
Will Regan, VMU  
Barbie Schaller, Senior's Commission  
Dan Stevenson, UTU  
Mike Tomassee, "King of Marijuana"  
Bob Yount, MAC/MASTF/E&D TAC/BSAC  
Amy Weiss, Spanish Interpreter

## **VICE CHAIR ROTKIN ARRIVED**

### **2. ORAL AND WRITTEN COMMUNICATION**

#### Oral:

Barbie Schaller, Senior's Commission, read a prepared statement, which is attached to the file copy of these minutes, expressing the need for bus service in the Neary Lagoon area. Ms. Schaller requested that one bus per hour in each direction be scheduled to run daily through that neighborhood to METRO Center, Mission Street and UCSC.

### **3. LABOR ORGANIZATION COMMUNICATIONS**

Carol Moore, UTU President, Bonnie Morr, UTU Chair, and Bus Operators Steve Marcus, Eulalio Abrego, Dan Stevenson, Doug Grosjean and Francisco Estrada and former Bus Operator Lenore Hindin all expressed concern over health insurance premiums and urged the Board to support parity between the unions in this regard.

Bonnie Morr reported that there have been several bus rear-tire blow-outs recently. Ms. Morr said that Bus Operators need to feel more secure operating these coaches because they are being asked to drive 10 miles under the speed limit, which they view as a safety hazard, to prevent blow-outs, and the blow-outs are still happening 15-20 miles under the speed limit.

Gary Klemz, SEIU Field Representative, expressed that the SEIU negotiation team feels it has hit a roadblock and feels it is unreasonable for the District to say there is no money at all for the next 3 years and that any new costs have to be paid by the labor agreement. Mr. Klemz urged the Board to change it's priorities in guiding the District bargaining team and said that SEIU is prepared to present a unified front if necessary. Mr. Klemz clarified that the 3% projected sales tax revenue increase could be used towards the employee health insurance premium increases. SEIU is willing to share the cost, and urged the Board to reach a balanced agreement by June 30<sup>th</sup>.

Mike Tomassee said that he agreed with the comments made and said that the Board should provide free medical insurance to all METRO employees.

Bonnie Morr extended an invitation to the Board to attend a CalPERS update Study Session being held at 11:00 a.m. on Monday, June 27<sup>th</sup> at the Police Department on Center Street.

Ian McFadden, SEA, said that there is extra money and referred the Board to page 7.B2 to see that the District expects an extra \$900,000 this year. Mr. McFadden urged the Board to reconsider it's position because it is unreasonable for the Board to direct it's negotiating team to say there is absolutely no new money, raises or cost-sharing for 3 years. Mr. McFadden clarified that he understands there are increased expenses but believes some significant budget mistakes have been made in the last year or two and that employee support for MetroBase is declining.

Dan Stevenson commented that the Board should be aware of the risk if the drivers are driving under bad conditions under a bad contract there is potential for future lawsuits for violating certain legal standards that are required under state, local and federal law.

Vice Chair Rotkin thanked everyone for expressing their concerns and commented that the MetroBase capital budget is not the place to find extra operating funds and that not having MetroBase is costing the District money.

Written:

Chair Keogh reported that a letter from Mary Kinzie Smith regarding a Hwy 17 service complaint was distributed to the Board today. The letter is attached to the file copy of these minutes.

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

**SECTION I:**  
**OPEN SESSION:**

**CONSENT AGENDA:**

- ADD TO ITEM #5-1** APPROVE REGULAR BOARD MEETING MINUTES OF MAY 13 AND MAY 27, 2005  
**(REPLACE page 5-1.5 with the REVISED page 5-1.5 of the May 13, 2005 Minutes and insert the May 27, 2005 Minutes)**
- ADD TO ITEM #5-3** ACCEPT AND FILE MAY 2005 RIDERSHIP REPORT  
**(Insert Page 1 of the May Ridership Report)**
- INSERT ITEM #5-6** ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR APRIL 2005 AND APPROVAL OF BUDGET TRANSFERS  
**(Insert Staff Report)**
- INSERT ITEM #5-12** CONSIDERATION OF RENEWAL OF PROPERTY INSURANCE COVERAGE FOR FY 05-06  
**(Insert Staff Report)**
- DELETE ITEM #5-13** CONSIDERATION OF RENEWAL OF LIABILITY AND PHYSICAL DAMAGE INSURANCE COVERAGE FOR FY 05-06  
**(Will be included in the July Board Packet)**
- ADD ITEM #5-15** **CONSIDER APPROVING AN EXTENSION OF THE INDEPENDENT CONTRACTOR AGREEMENT WITH THE SANTA CRUZ COUNTY PUBLIC WORKS DEPARTMENT FOR A GRANT-FUNDED PROJECT TO BUY 3-POSITION BIKE RACKS FOR METRO BUSES**  
**(Insert Staff Report)**
- ADD ITEM #5-16** **CONSIDERATION OF CONTRACT RENEWAL WITH DRIVER ALLIANT INSURANCE SERVICES, INC. FOR INSURANCE BROKER SERVICES AND CONTINUING THE CALIFORNIA PUBLIC ENTITY INSURANCE AUTHORITY JOINT POWERS AGREEMENT IN ORDER TO ACCESS EXCESS WORKERS' COMPENSATION INSURANCE**  
**(Insert Staff Report)**

**REGULAR AGENDA:**

- ADD TO ITEM #7** CONSIDERATION OF ADOPTION OF RESOLUTION APPROVING  
FY 05-06 FINAL BUDGET  
**(Insert Attachment “H”)**
- DELETE ITEM #9** ORAL ANNOUNCEMENT: NOTIFICATION OF SCOTTS VALLEY  
TRANSIT CENTER REDEDICATION CEREMONY: JUNE 10, 2005  
AT 12:00 P.M.  
**(Action taken at the June 10, 2005 Board Meeting)**
- ADD ITEM #10** **CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER  
TO EXECUTE A CONTRACT FOR EVALUATION OF DISTRICT’S  
ADA/504 PROGRAMS & ACTIVITIES WITH PAT PIRAS  
CONSULTING**  
**(Insert Staff Report)**
- ADD ITEM #11** **CONSIDERATION OF A REQUEST FOR A CHANGE ORDER IN  
THE AMOUNT OF \$265,106.00 FROM RNL DESING, INC. TO  
PROVIDE ADDITIONAL FUNDS TO THE  
ARCHITECTURAL/ENGINEERING CONTRACT TO  
ACCOMMODATE COSTS RELATED TO CHANGES IN THE  
DESIGN OF THE METROBASE PROJECT**  
**(Insert Staff Report)**

**CONSENT AGENDA**

- 5-1. **APPROVE REGULAR BOARD MEETING MINUTES OF MAY 13 AND MAY 27, 2005**
- 5-2. **ACCEPT AND FILE PRELIMINARILY APPROVED CLAIMS FOR THE MONTH OF  
MAY 2005**
- 5-3. **ACCEPT AND FILE MAY 2005 RIDERSHIP REPORT**
- 5-4. **CONSIDERATION OF TORT CLAIMS: DENY THE CLAIM OF MAGDALENA IBARRA,  
CLAIM #05-0015**
- 5-5. **ACCEPT AND FILE THE METRO ADVISORY COMMITTEE (MAC) AGENDA FOR  
JUNE 15, 2005 AND MINUTES OF APRIL 20, 2005**
- 5-6. **ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR APRIL 2005 AND  
APPROVAL OF BUDGET TRANSFERS**
- 5-7. **ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR APRIL 2005**
- 5-8. **ACCEPT AND FILE PARACRUZ OPERATIONS STATUS REPORT FOR THE MONTH  
OF MARCH 2005**
- 5-9. **ACCEPT AND FILE UNIVERSITY OF CALIFORNIA, SANTA CRUZ SERVICE UPDATE  
FOR THE MONTH OF APRIL 2005**
- 5-10. **ACCEPT AND FILE METROBASE STATUS REPORT**
- 5-11. **ACCEPT AND FILE MINUTES REFLECTING VOTING RESULTS FROM APPOINTEES  
TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR  
THE MAY 2005 MEETINGS**
- 5-12. **CONSIDERATION OF RENEWAL OF PROPERTY INSURANCE COVERAGE FOR FY  
05-06**

- 5-13. **DELETED: will be included in the July Board Packet  
(CONSIDERATION OF RENEWAL OF LIABILITY AND PHYSICAL DAMAGE  
INSURANCE COVERAGE FOR FY 05-06)**
- 5-14. **CONSIDERATION OF RENEWAL OF CONTRACT WITH FOLGER GRAPHICS FOR  
GRAPHIC DESIGN SERVICES FOR HEADWAYS**
- 5-15. **CONSIDER APPROVING AN EXTENSION OF THE INDEPENDENT CONTRACTOR  
AGREEMENT WITH THE SANTA CRUZ COUNTY PUBLIC WORKS DEPARTMENT  
FOR A GRANT-FUNDED PROJECT TO BUY 3-POSITION BIKE RACKS FOR METRO  
BUSES**
- 5-16. **CONSIDERATION OF CONTRACT RENEWAL WITH DRIVER ALLIANT INSURANCE  
SERVICES, INC. FOR INSURANCE BROKER SERVICES AND CONTINUING THE  
CALIFORNIA PUBLIC ENTITY INSURANCE AUTHORITY JOINT POWERS  
AGREEMENT IN ORDER TO ACCESS EXCESS WORKERS' COMPENSATION  
INSURANCE**

**ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR REILLY**

**Approve the Consent Agenda**

**Motion passed unanimously with Director Beautz being absent.**

#### **REGULAR AGENDA**

#### **6. PRESENTATION OF EMPLOYEE LONGEVITY AWARDS**

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

##### **TEN YEARS**

Mary Elizabeth Bytheway, Senior Accounting Technician

##### **TWENTY-FIVE YEARS**

John M. Fuentes, Bus Operator

#### **7. CONSIDERATION OF ADOPTION OF RESOLUTION APPROVING FY 05-06 FINAL BUDGET**

##### **Summary:**

Elisabeth Ross reported that the Board is being asked to adopt the Resolution approving the Final Budget for FY 05-06 for implementation July 1, 2005 as presented in Attachment B; authorizing Board member travel in FY 05-06 as described in Attachment C; approving the Employee Incentive Program as presented in Attachment D; authorizing staffing levels as listed in Attachment E; and approving the \$65 per hour rate for shuttle services in FY 05-06.

Ms. Ross also reported that the ParaCruz information requested by the Board is included as Attachment H.

**Discussion:**

Ian McFadden stated that the ParaCruz information provided on page 7.H2 is confusing and very generic. Mr. McFadden said it does not match the Paratransit Budget information on page 7.B3 or the last Board Packet and asked for clarification on how much METRO is paying for this service.

Ms. Ross clarified that although there was not enough time to do a complete, detailed analysis of ParaCruz, which will be presented to the Board in August or September, Staff wanted to give the Board information that relates to the upcoming budget. Ms. Ross explained that the Final Budget figure on page 7.H2 is less than the budget shows on page 7.B3 because this is only the portion that actually replaces the Community Bridges service contract.

**ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR SKILLICORN**

**Adopt Resolution approving the Final Budget for FY 05-06 as presented by Staff in Attachment B; Authorizing Board member travel in FY 05-06 as described in Attachment C; Approving the Employee Incentive Program as presented in Attachment D; Authorizing staffing levels as listed in Attachment E; and Approving the \$65 per hour rate for shuttle services in FY 05-06**

**Motion passed by unanimous affirmative voice vote in lieu of a roll call vote with Director Beautz being absent.**

**8. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A LEASE AMENDMENT WITH COLLEEN CROSBY AND BRONSON BAKER D/B/A BREW BAR FOR A KIOSK SPACE AT PACIFIC STATION**

**Summary:**

Margaret Gallagher reported that this is a lease extension. Brew Bar has been a great long-term tenant and due to their financial situation, they have requested an exit clause in the new lease term, which would allow them to cancel the lease for any reason with a six-month notice to METRO.

**ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR SPENCE**

**Authorize the General Manager to execute a lease amendment with Colleen Crosby and Bronson Baker d/b/a Brew Bar for a kiosk space at Pacific Station for an additional five-year term including language that allows them to terminate the lease for any reason with a six-month notice to METRO**

**Motion passed unanimously with Director Beautz being absent.**

**10. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT FOR EVALUATION OF DISTRICT'S ADA/504 PROGRAMS & ACTIVITIES WITH PAT PIRAS CONSULTING**

**Summary:**

Tom Stickel reported that in January 2003 the Board modified the District's ADA complaint procedures to include an evaluation of the District's programs, activities and services to determine whether they are accessible to disabled individuals and whether the District is in compliance with the requirements of the ADA/504 statutes and regulations.

**ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR HINKLE**

**Authorize the General Manager to execute a contract for evaluation of District's ADA/504 programs & activities with Pat Piras consulting**

**Motion passed unanimously with Director Beautz being absent.**

**11. CONSIDERATION OF A REQUEST FOR A CHANGE ORDER IN THE AMOUNT OF \$265,106.00 FROM RNL DESIGN, INC. TO PROVIDE ADDITIONAL FUNDS TO THE ARCHITECTURAL/ENGINEERING CONTRACT TO ACCOMMODATE COSTS RELATED TO CHANGES IN THE DESIGN OF THE METROBASE PROJECT**

**Summary:**

Frank Cheng reported that the RNL Design Team has submitted a request for a change order to increase the Architectural/Engineering contract by \$7,210 for the Papercrete study, by \$79,200 for the One Bids vs. Two Bid analysis, by \$106,800 for the extended construction duration, and by \$39,696 for the analysis of the City of Santa Cruz Public Works Department requests.

Staff has analyzed the RNL contract and recommends that the Board approve the costs associated with the Papercrete study, the One Bid/Two Bids analysis and the extended construction duration, and deny the request for funds associated with the analysis of the City of Santa Cruz Public Works Department requests because Staff believes that the initial proposal included sufficient funding for this type of analysis.

**Discussion:**

Several Directors expressed frustration over the request for the additional funds, especially the cost of the Papercrete study. Les White explained that RNL's original proposal included funding for the permitting process and when RNL learned METRO was self-permitting, those funds were available for the City Public Works analysis. Mr. White also explained that the extended construction duration costs could be contained by the Board determining how many site visits are needed; the One Bid vs. Two Bids analysis was of a pressing nature that needed to be completed quickly to give the Board information to make a decision meeting deadlines imposed by the State; and that Staff asked RNL for a cost estimate for the Papercrete study ahead of time, but RNL was unable to provide a costs due to not knowing how much research they would have to do.

Although there is no formal Change Order Policy in place, Mr. White agreed with the Board that if the Board requests information that RNL believes is outside of the scope of work, a cost estimate should be provided ahead of time in order for the Board to determine if the cost is justified before proceeding.

Vice Chair Rotkin agreed that the One Bid/Two Bids analysis was necessary as a result of the State Transportation Commission not following through on funding commitments and suggested sending a letter to the CTC to let them know METRO was forced into this position of increased expenses.

Several Directors expressed that these requests have created a credibility problem with RNL and feel METRO was overcharged and all four charges should be denied at this time. Chair Keogh disagreed, saying that the \$7,920 was justified because the Papercrete study was a direct request made in a public meeting.

**ACTION: MOTION: DIRECTOR BUSTICHI SECOND: DIRECTOR STONE**

**Deny the request for additional funding for all four items at this time. Request to be returned to RNL for re-review and presented to the Board at a later date with further information and a Staff recommendation.**

**Motion passed unanimously with Director Rotkin voting no and Director Beautz being absent.**

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

Margaret Gallagher reported that the Board would be discussing SEIU and UTU Labor Negotiations with their Labor Negotiator, and will also meet with their Real Property Negotiator regarding price and terms of the property located at 25 Sakata Lane, Watsonville.

**13. ORAL AND WRITTEN COMMUNICATIONS REGARDING CLOSED SESSION**

Lenore Hindin urged the Board to deny the RNL request for additional funding of nearly ¼ of a million dollars.

Bonnie Morr thanked UTU members for attending the meeting and expressing their concerns to the Board and expressed her concern over the budget, urging the Board to review it very carefully because she feels it is not reality and asked the Board to notice that there are less operators than are listed, and that the operators are struggling to get by while the Board is authorizing hiring Management. Ms. Morr also asked the Board for support in moving forward on contract negotiations regarding health insurance.

**SECTION II: CLOSED SESSION**

Chair Keogh adjourned to Closed Session at 10:09 a.m. and reconvened to Open Session at 11:31 a.m.



**SECTION III: RECONVENE TO OPEN SESSION**

**14. REPORT OF CLOSED SESSION**

Margaret Gallagher had nothing to report at this time.

**ADJOURN**

There being no further business, Chair Keogh adjourned the meeting at 11:31 a.m.

Respectfully submitted,

CINDI THOMAS  
Administrative Services Coordinator