

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Minutes- Board of Directors

April 9, 2010

A Regular Meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District met on Friday, April 9, 2010 at the District's Administrative Office located at 110 Vernon Street in Santa Cruz, California.

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

SECTION 1: OPEN SESSION

1. ROLL CALL:

DIRECTORS PRESENT

Dene Bustichi
Ron Graves
Donald Hagen
Ellen Pirie
Lynn Robinson
Mike Rotkin
Mark Stone
Marcela Tavantzis

DIRECTORS ABSENT

Michelle Hinkle
John Leopold
Emilio Martinez
Ex-Officio Donna Blitzer

STAFF PRESENT

Ciro Aguirre, Operations Manager
Pat Aviles, Asst Human Resources Manager
Bob Cotter, Maintenance Manager
Frank Cheng, MB Project Manager
Mary Ferrick, Fixed Route Superintendent

Margaret Gallagher, District Counsel
Debbie Kinslow, Asst Finance Manager
April Warnock, Paratransit Superintendent
Les White, General Manager

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

Jason Andrews, UTU
Genevieve Bookwalter, Santa Cruz Sentinel
John Daugherty, SEA
Carolyn Derwing, Schedule Analyst
Erich Friedrich, Provisional Transit Planner

Eduardo Montesino, UTU
Bonnie Morr, UTU
Larry Pageler, UCSC TAPS
Will Regan, VMU

2. ORAL AND WRITTEN COMMUNICATION TO THE BOARD OF DIRECTORS

Written:

None.

Oral:

None.

3. LABOR ORGANIZATION COMMUNICATIONS

John Daugherty, SEA, suggested that the Board consider starting meetings held at Vernon Street a few minutes later to accommodate anyone who takes the bus, and he noted that more signage is needed on the first floor to direct visitors to the conference room. Les White said that signage is on order.

4. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

None.

CONSENT AGENDA

5-1. None

REGULAR AGENDA

6. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT WITH ATHENS ADMINISTRATORS FOR THIRD PARTY ADMINISTRATION OF WORKERS COMPENSATION CLAIMS FOR AN AMOUNT NOT TO EXCEED \$300,000

Summary:

Margaret Gallagher said that Santa Cruz METRO has had a contract for Third Party Administration services with Sedgwick Claims Management Services for the last five years, and the contract expired in March. Ms. Gallagher said that contract has been extended month to month in order to maintain the service while an invitation for bids was issued. Ms. Gallagher said that based on the criteria set forth in the Staff Reports, the committee chose Athens for Third Party Administration services for METRO.

Discussion:

Director Rotkin asked who was on the committee. Margaret Gallagher said the committee was comprised of Robyn Slater, Human Resources Manager, Pat Aviles, Assistant Human Resources Manager, Lloyd Longnecker, Purchasing Agent and herself. Director Rotkin asked what METRO

receives for \$300,000.00. Margaret Gallagher described the services provided, and added that everything is supervised by METRO employees. Chair Pirie asked why METRO could not handle claims in-house. Margaret Gallagher said that it was not legal to act as your own Third Party Administrator.

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR GRAVES

Authorize the General Manager to execute a contract with Athens Administrators for Third Party administration of Workers Compensation claims for an amount not to exceed \$300,000

Motion passed unanimously with Directors Hinkle, Leopold and Martinez being absent.

7. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXTEND THE CONTRACT WITH SEDGWICK CMS FOR THIRD PARTY ADMINISTRATION OF WORKERS COMPENSATION CLAIMS

Summary:

Margaret Gallagher said that this was for a one-month extension.

Discussion:

Chair Pirie asked if METRO was unhappy with the services of Sedgwick CMS. Margaret Gallagher said there were some issues. Les White said that the District was very happy with the savings of \$69,000.00. Director Graves asked if there would have been an overlap if the proposals were sought much earlier, and he noted that this was the second extension. Margaret Gallagher said that would have been ideal. Director Graves asked if the cost of each extension is equal to the monthly cost under the original contract. Les White said that information can be researched. Les White said that Sedgwick CMS was the most expensive bid received.

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR HAGEN

Authorize the General Manager to extend the contract with Sedgwick CMS for Third Party Administration of Workers Compensation claims

Motion passed unanimously with Directors Hinkle, Leopold and Martinez being absent.

8. CONSIDERATION OF ADOPTING A RESOLUTION AUTHORIZING FY10 BUDGET RECONCILIATION ACTIONS

This item was moved to the April 23, 2010 Board of Directors Meeting

9. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT WITH DIAMA-SHIELD, LLC FOR PREPARATION AND INSTALLATION OF EPOXY AND SEALANT TO THE FLOOR OF THE MAINTENANCE BUILDING LOCATED AT 138 GOLF CLUB DRIVE FOR AN AMOUNT NOT TO EXCEED \$130,000

Summary:

Frank Cheng said that in December of 2008 METRO was able to move into the first half of the Maintenance Building. Mr. Cheng said that for the last year METRO has been able to maintain the bus fleet, and that over the course of the year spills have occurred on the concrete floor, which had raised several safety concerns and concerns over the amount of time being expended to clean the floors. Mr. Cheng said that he had researched multiple facilities and businesses in the area and discovered that several are using epoxy-based solutions. Mr. Cheng said that the different locations have different applications for the solutions, but that the common denominator is epoxy. Mr. Cheng briefly outlined the process for applying the epoxy and sealant.

Discussion:

Director Rotkin asked if the main reason for the sealant was to make it easier to clean, and asked if safety would be compromised if the sealant was not applied. Frank Cheng said that safety was a major concern, and one of the reasons that a fine mesh would be applied. Les White noted that the original sealant would have required removal and reapplication every two years, and that the new sealant was guaranteed for ten years. Director Tavantzis asked that the contingency be lowered to 10%. Chair Pire asked that any change orders over \$5,000.00 come back to the Board.

Director Bustichi asked if there were currently any slip hazards. Frank Cheng said that there are certain areas that have become hazardous. Director Bustichi asked where the funding was coming from. Les White said that it was PTMISEA funding from the State, which had provided a little over \$6,000,000.00 to supplement funding for the Maintenance Building. Director Bustichi asked if any of the funds could be used elsewhere. Les White said that it could not, and that any unused funds would have to be returned to the State, so it was beneficial to reprogram any unused funds into another component of the project.

Director Graves asked why there were no local examples and why someone went all the way to Los Angeles. Frank Cheng said he visited family in the area. Director Graves noted that the successful bidder is the only out-of-state bidder, and he asked if that would create problems getting prompt service. Director Graves asked if any other agencies who have used the product to see if the bidder was true with their warranty requirements. Frank Cheng said that he did not. Les White said that the contract can be contingent on a background satisfaction check. Director Rotkin indicated that he was ready to move approval of the staff recommendations with three changes to check the level of satisfaction with current users of the product, to come back to the Board with any change orders over \$5,000.00, and to set the contingency at 10%.

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR GRAVES

Authorize the General Manager to execute a contract with Diama-Shield, LLC for preparation and installation of epoxy and sealant to the floor of the Maintenance Building located at 138 Golf Club Drive for an amount not to exceed \$130,000, contingent on a customer satisfaction check of current clients of Diama-Shield; and with a requirement to bring change orders over \$5,000.00 back to the Board; and with a 10% contingency for change orders.

Motion passed unanimously with Directors Hinkle, Leopold and Martinez being absent.

- 10. CONSIDERATION OF EXTENSION OF PURCHASE ORDER/ CONTRACT FOR EMPLOYMENT OF TEMPORARY HELP THROUGH ROBERT HALF INTERNATIONAL FOR TEMPORARY EMPLOYMENT STAFFING FOR THE GRANTS ANALYST POSITION THROUGH JUNE 30, 2010 FOR A TOTAL AMOUNT NOT TO EXCEED \$128,000**

This item was moved to the April 23, 2010 Board of Directors Meeting

- 11. ORAL PRESENTATION: DISCUSSION OF THE SERVICE PLANNING AND REVIEW COMMITTEE (SPARC) RECOMMENDATIONS FOR SERVICE CHANGES TO BE CONSIDERED AS A PART OF A FALL 2010 (SEPT. 16, 2010) 15 BID SERVICE REDUCTION NECESSITATED BY LOW REVENUE RESULTING FROM THE CURRENT RECESSION**

Summary:

Ciro Aguirre distributed hard copies of the PowerPoint presentation slides to be presented at today's meeting, which are attached to the file copy of these minutes. Les White distributed copies of an article in the San Jose Mercury News about the financial difficulties at CalTrain, which is attached to the file copy of these minutes. Ciro Aguirre reported that the Service Planning and Review Committee (SPARC) has had a considerable amount of discussion about the reduction in service in order to accommodate a 15 bid reduction of Operators. Mr. Aguirre said that METRO service needed to be realigned to accomplish this. Mr. Aguirre said SPARC has been actively discussing service, making recommendations, and coordinating changes. Mr. Aguirre explained the timeline for publishing proposed changes, receiving public comments, and implementing the changes. Chair Pirie suggested a location in Aptos for a public meeting. Director Bustichi suggested a location in Scotts Valley. There was a discussion about the timeline and staff preparation requirements.

There was a discussion of service cuts. Vice Chair Robinson asked why there must be a Declaration of Fiscal Emergency. Les White said it was necessary to declare a Fiscal Emergency in order to move forward with the service cuts. Director Bustichi suggested that the public hearings be integrated with school schedules so that the public hearings don't occur during school vacation. Carolyn Derwing stated that METRO has already "trimmed the fat" from the schedule in

the past, and that the proposed service reductions are now “cutting into the meat.” Director Rotkin said that a loss in service might affect jobs.

There was a presentation of the proposed changes for Routes #3 and #7. Director Rotkin noted that people will still be able to get around, but it will take longer.

There was a presentation of the proposed changes for UCSC. Carolyn Derwing noted that METRO would work with UCSC to preserve Friday and Saturday Night Owl service. Director Rotkin noted that UCSC students voted for a fee increase in order to have Night Owl service. Carolyn Derwing said that Night Owl would probably end earlier than it currently does. Larry Pageler, UCSC, said that he has requested a new cost figure for Night Owl service.

There was a presentation of the proposed changes for Routes #31 and #32. Director Rotkin asked if Juvenile Hall would be affected. Les White said that one of the purposes of the public hearings is to determine what can be cut. Director Stone suggested that service be coordinated with the bell schedules of the schools to be affected. Director Rotkin suggested a formal letter be sent to all the schools. Director Bustichi suggested that the letter have a deadline for responses.

There was a presentation of the proposed changes to Mid-County routes. Jason Andrews, UTU, asked if the reinstated Route 56 would go to the Capitola Mall.

There was a presentation of proposed changes to Cabrillo College and South-County routes. Director Rotkin said that the cuts don't seem as severe as he had envisioned, and he noted that there were some complex issues involved. Director Tavantzis thanked staff for retaining some weekend service. Director Bustichi asked if cuts would have to be made year after year. Les White said that it would not be necessary if there was a positive change from State and Federal governments, but that he was not sure that they could be counted on, so additional cuts may have to be made.

There was a discussion of the affects on Paratransit. Les White said that there are currently no cuts proposed for Paratransit. There was a discussion about the status of the Stroke Center and the possibility of a move to Cabrillo College. Director Rotkin said that much of the costs related to the Stroke Center might go away if it were to move to Cabrillo College.

There was a discussion of the fiscal problems of CalTrain. Les White said that it was going to take pressure on Congress to resurrect a Federal Jobs Bill, which would provide operating funds. John Daugherty suggested presentations to the METRO Advisory Committee and the E&DTAC of the RTC.

12. ORAL ANNOUNCEMENT: THE NEXT REGULARLY SCHEDULED BOARD MEETING WILL BE HELD FRIDAY, APRIL 23, 2010 AT 9:00 A.M. AT THE SANTA CRUZ CITY COUNCIL CHAMBERS, 809 CENTER ST, SANTA CRUZ

Vice Chair Robinson announced that the April 23, 2010 Board Meeting would be held at the Santa Cruz City Council Chambers, 809 Center Street, Santa Cruz.

ADJOURN

There being no further business, Vice Chair Robinson adjourned the meeting at 11:03 a.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Anthony B. Tapiiz". The signature is written in black ink and is positioned above the typed name.

ANTHONY TAPIZ
Administrative Assistant