



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
BOARD OF DIRECTORS MEETING MINUTES  
REGULAR MEETING  
OCTOBER 23, 2015 – 8:30 AM  
METRO ADMIN OFFICES  
110 VERNON STREET  
SANTA CRUZ, CA**

A regular meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District (METRO) was convened on Friday, October 23, 2015, at METRO's Admin Offices, 110 Vernon Street, Santa Cruz, CA.

The Board Meeting Agenda Packet can be found online at [www.SCMTD.com](http://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 CALL TO ORDER at 8:35A** by Vice Chair Rotkin

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

<b>Director Ed Bottorff</b>	<b>City of Capitola</b>
<b>Director Dene Bustichi, Chair</b>	<b>City of Scotts Valley</b>
<b>Director Cynthia Chase</b>	<b>City of Santa Cruz</b>
<b>Director Jimmy Dutra</b>	<b>City of Watsonville</b>
<b>Director Donald "Norm" Hagen</b>	<b>County of Santa Cruz</b>
<b>Director Don Lane</b>	<b>City of Santa Cruz</b>
<b>Director John Leopold</b>	<b>County of Santa Cruz</b>
<b>Director Bruce McPherson</b>	<b>County of Santa Cruz</b>
<b>Director Mike Rotkin, Vice Chair</b>	<b>County of Santa Cruz</b>

The following Directors were absent:  
Ex-Officio Director Donna Blitzer  
Director Karina Cervantez  
Director Zach Friend

UC Santa Cruz  
City of Watsonville Arrived at 10:50A  
County of Santa Cruz

**STAFF PRESENT:**  
Alex Clifford, CEO  
Leslyn Syren, District Counsel

**METRO EMPLOYEES AND MEMBERS OF THE PUBLIC WHO VOLUNTARILY INDICATED THEY WERE PRESENT (IN ALPHABETICAL ORDER) WERE:**

Heather Adamson, AMBAG  
Angela Aitken, METRO  
Christine Bakanoff, Self  
Frank Bauer, Self  
John Daughterty  
Carolyn Derwing, METRO  
Daniel Zaragoza, METRO

Joan Jeffries, METRO  
Debbie Kinslow, METRO  
Al Pierce, METRO  
Ernestina Saldana, COD  
Debra McNiel Smith, C. Bakanoff  
April Warnock, METRO

**3 ANNOUNCEMENTS**

Vice Chair Rotkin acknowledged Carlos Landaverri's presence and noted his availability for Spanish interpretation as needed. Carlos introduced himself and his services in Spanish.

Vice Chair Rotkin announced Alex Saidi will be today's Community Television technician.

Vice Chair Rotkin announced the following items were distributed to Board members and available for public review at the rear of the room:

- Item 11 State Legislative Update by Josh Shaw of Shaw, Yoder, Antwih Inc. – One page of Signatories to Pro-Transit Letters
- Item 13 Receive an Update on the Comprehensive Operational Analysis – Revised presentation
- Item 15 Adoption of Chapter 7 to Title I of METRO Admin Code–Reserve Fund Policy Page 15.3 has been revised to add the words, "or unassigned" in the first non-bulleted paragraph

Finance Manager, Angela Aitken, added that a revised page 8-04.2 had been distributed.

**4 COMMUNICATIONS TO THE BOARD OF DIRECTORS**

Having no written communication to the Board, Vice Chair Rotkin opened the floor to public comment.

Carolyn Derwing, speaking as a private citizen and from her position as Schedule Analyst with METRO, informed the Board that she'll be leaving METRO on the 30<sup>th</sup> of October after 17+ years; she's accepted a position with SamTrans.

Becky Taylor, Commission on Disabilities (COD), invited attendees to attend COD's upcoming Kudos Awards Ceremony scheduled for October 28 from 6:00 – 8:00PM at the Apple Grille, located at 410 Rodriguez Street in Watsonville.

Christine Bakanoff, ParaCruz customer, reminded the Board of her attendance at the Watsonville Board meeting. She was back to request transportation on Sundays to Twin Lakes Church. She resides outside the current service perimeter and doesn't feel it's safe to transport herself the distance required to meet the fixed route service area.

Ernestina Saldana, COD Chair, thanked the Board for their public service. She was there to seek a point of confirmation from the Board regarding the continued funding of METRO's

Accessible Service Coordinator position. She requested that future public hearings be held in the Santa Cruz City Chambers offices.

Liseth Guizar, Safety, Security and Risk Manager, invited the assembly to the October 25<sup>th</sup> Banana Slug Parade. A METRO bus will be decorated as a banana slug to celebrate UCSC's 50<sup>th</sup> year anniversary. Staging will be at Cathcart and Pacific Streets. The parade begins at 11:00AM.

**5 WRITTEN COMMUNICATIONS FROM MAC**

None.

**6 LABOR ORGANIZATION COMMUNICATIONS**

Vice Chair Rotkin opened the floor to public comment.

Carolyn Derwing, SEIU-SEA President, expressed concern regarding METRO's staffing of SEA employees. There is minimal staffing with no back-up or duplication of essential functions, which makes it difficult for employees to take time off. Ms. Derwing provided the Board additional feedback concerning what she believes to be staffing and morale concerns.

Kenny Brown, METRO employee, agreed with Ms. Derwing's comments and added the employees are the backbone of the whole operation. "We want the meat, not the bone."

**CONSENT AGENDA**

- 8-01 ACCEPT AND FILE PRELIMINARY APPROVED CHECK JOURNAL DETAIL FOR THE MONTH OF JUNE 2015
- 8-02 ACCEPT AND FILE MINUTES OF THE SANTA CRUZ METRO BOARD OF DIRECTORS MEETINGS OF SEPTEMBER 25 AND OCTOBER 9, 2015
- 8-03 CONSIDERATION OF METROBASE MONTHLY CHANGE ORDERS REPORT
- 8-04 CONSIDERATION OF RESOLUTION APPROVING THE FY16 REVISED CAPITAL BUDGET
- 8-05 CONSIDERATION OF ISSUING A FORMAL INVITATION FOR BIDS FOR PURCHASE AND DELIVERY OF REVENUE AND NON-REVENUE TIRES
- 8-06 CONSIDERATION OF A CONTRACT AMENDMENT WITH HANSON BRIDGETT IN AN AMOUNT NOT TO EXCEED \$15,000

**ACTION: MOTION TO ACCEPT THE CONSENT AGENDA AS PRESENTED**

**MOTION: DIRECTOR LANE**

**SECOND: DIRECTOR LEOPOLD**

**MOTION PASSED WITH 9 AYES (Directors Bottorff, Bustichi, Chase, Dutra, Hagen, Lane, Leopold, McPherson and Rotkin). Directors Friend and Blitzer were absent.**

**REGULAR AGENDA**

- 9 PRESENTATION OF EMPLOYEE LONGEVITY AWARDS FOR FRANK Q. JACINTO, GILLIAN S. McGLAZE, ROSALIO L. RAMOS & FRANK BAUER  
Vice Chair Rotkin introduced Frank Bauer and Gillian McGlaze and noted that Messrs. Jacinto and Ramos were unable to attend.

Chair Bustichi thanked Frank Bauer for his 35 years with METRO. Mr. Bauer thanked Judy Souza, who hired and trained him. His advice to the new employees was to “keep your eye on the prize, fund your 457 and keep the shenanigans to a minimum.”

Chair Bustichi thanked Gillian McGlaze for her 30 years with METRO. Ms. McGlaze thanked the Board and those METRO employees who had influenced her over the years. She shared her original employment application which referenced Frank Bauer. She said she was looking forward to working with CEO Clifford during her remaining years with METRO.

Vice Chair Rotkin recognized the contributions of the employees and appreciates their contributions to the District and community.

- 10 RESOLUTION OF APPRECIATION FOR FRANK BAUER, ISSAC GLENN, ROSALIO RAMOS

**ACTION: MOTION TO ACCEPT THE RESOLUTIONS AS PRESENTED**

**MOTION: DIRECTOR LEOPOLD**

**SECOND: DIRECTOR McPHERSON**

**MOTION PASSED WITH 9 AYES (Directors Bottorff, Bustichi, Chase, Dutra, Hagen, Lane, Leopold, McPherson and Rotkin). Director Cervantez arrived late. Directors Friend and Blitzer were absent.**

Chair Bustichi called Mr. Bauer back to the podium to be presented with his resolution.

Director Hagen thanked Mr. Bauer for his contributions and said he’s had the pleasure of working with him since 2004.

- 11 STATE LEGISLATIVE UPDATE

Josh Shaw, of Shaw, Yoder, Antwih, Inc., elaborated on legislative issues important to METRO and asked the Board to double down on their support and communication to the legislature.

Director McPherson asked if Senator Cannella had signed. Mr. Shaw responded yes; he’s been overt in his support and specific regarding the need for transit funding. We wish that some of his colleagues would come forward as he has.

Vice Chair Rotkin asked how many additional votes are required. Mr. Shaw said the challenge remains with the moderates in the Democratic Party who aren’t enthusiastic about some of the funding streams. We need Republican and Democratic mid-party votes; 3-5 in the Senate and 4-6 in the Assembly. A thin margin remains reluctant to vote for any tax increase.

Director Leopold said they would double their efforts to reach out to Senator Monning and Assembly Member Alejo.

Mr. Shaw stated that Senator Monning doesn’t typically sign support letters. Director Dutra echoed that experience, noting Senator Monning supports without actually signing.

Vice Chair Rotkin asked to meet with CEO Clifford to develop a strategy and prepare some materials the Board could take back to the County or City to support legislative issues. He also thanked Mr. Shaw for his contributions.

Director McPherson added that Mr. Shaw is one of the most highly respected legislative advocates in Sacramento. He noted that the prospects for transportation funding on a 2/3 vote appear slim.

## 12 FEDERAL LEGISLATIVE UPDATE

Chris Giglio, Capital Edge, spoke about funding measures and challenges to the limited federal funds. Bus and bus facility funding has been cut in half since 2012. He reminded the assembly of METRO's involvement in the 2005 creation of the STIC program. Unfortunately, the program has become so popular, the allocations have diminished. They continue hoping for a more robust funding bill that doesn't lock into a 6 year timeframe and that will increase the "pot".

California Public Employees' Pension Reform Act (PEPRA) remains a challenge with the Department of Labor (DOL). Some agencies have come to an agreement with the DOL; District Counsel Syren is investigating METRO's options.

There is hope that Paul Ryan would keep his eye on the funding bill even as he departs his position as Chairman of the Ways and Means Committee to become Speaker of the House of Representatives.

The threat of a government shutdown is looming; discussions will resume in early December.

Director Leopold asked what the odds of a government shutdown were. Mr. Giglio answered 75% in December, adding that presidential politics will also enter into it.

Vice Chair Rotkin thanked Mr. Giglio for his work on behalf of METRO, noting how difficult it is to keep things moving in today's political climate.

## 13 RECEIVE AN UPDATE ON THE COMPREHENSIVE OPERATIONAL ANALYSIS

Tom Hiltner, Acting Planning Manager, introduced Kristina Svensk and William Chow of TMD, provided background to the project and encouraged attendees to attend the various events which are listed on the website [www.scmetroforward.com](http://www.scmetroforward.com). The next event is a public open house on November 4<sup>th</sup> at Simpkins Swim Center. The schedule for the next two weeks is being planned.

TMD has completed market assessment and public outreach /pop-up events. Ms. Svensk outlined future additions to the project: an online survey to the website, comments cards on the buses, Community TV spots, additional pop-ups, etc. She stressed the importance of changing issues/funding through the process.

Director Leopold asked Ms. Svensk to define "coverage based service". Ms. Svensk defined this as flexible options to provide service to those in less dense areas.

Ms. Svensk will be holding lunch sessions at senior centers throughout the area and referred everyone to the calendar on the website for other events. Director Leopold

recommended visits to mobile home parks as well. Director Hagen offered to speak with Ms. Svensk offline regarding outreach in Watsonville.

Vice Chair Rotkin noted that flexible coverage to rural populations will affect both fixed route and Paratransit costs. Ms. Svensk said they would take this into consideration when they make their final recommendations.

14 ACCEPT AND FILE THE FISCAL YEAR END MONTHLY BUDGET STATUS REPORTS FOR JUNE 30, 2015; AND ADOPTION OF THE SCHEDULE OF RESERVE ACCOUNT BALANCES

Angela Aitken, Finance Manager, elaborated on the presentation noting that the vacant positions fluctuate throughout the year; i.e., the 14 vacant positions were not the same positions throughout the year.

Chair Bustichi asked if the amount of vacancies is average. Ms. Aitken answered it is dependent on how quickly the positions are filled, the number of retirees, etc.

In the future Finance Manager Aitken will provide a slide representing overtime (OT) in relation to the budget. CEO Clifford added that OT will continue to grow throughout the year as the current short-term strategy is to hold UTU positions vacant and fill them with OT. This is to avoid layoffs in the face of anticipated service cuts due to the structural deficit.

Vice Chair Rotkin reminded the assembly of the impact on current employees and the Board's obligation to remain engaged.

Chair Bustichi said the public's perception is that METRO replaces non-revenue vehicles quicker than revenue buses and asked if this is true. And, if so, why? Maintenance Manager, Al Pierce, responded that the buses are purchased with federal grants and must be run a minimum of 12 years which is a contrast to the support or relief vehicles which are replaced in 5-6 years and funded by a different source.

CEO Clifford added that the budget process takes into consideration the repair and replacement costs. Non-revenue vehicles which are not used for road supervisors are being reduced.

Vice Chair Rotkin asked Finance Manager Aitken if the capital budget includes desks, etc. She responded that \$1,000 is the threshold for capital. She added that the unfunded capital over the next two years is approximately \$20M; METRO has \$200+M in need. She cited replacing the CNG tanks as an example.

Director Leopold asked how a government shutdown would affect METRO's cash flow. Finance Manager Aitken said that it depends on how many grants have been submitted and not processed. When an application is submitted, we can be reimbursed within 1-2 days and some within a few weeks. As of today all applications have been submitted and the funds received. We want our reimbursements well before December 11<sup>th</sup>; a list will be compiled November 1<sup>st</sup>. There is a possibility we may have to tap into our reserves.

Eduardo Montesino, UTU representative, referred to the OT information located on page 14A.4. He noted the union agrees with where METRO is going and appreciates the short term strategy to avoid layoffs.

Vice Chair Rotkin thanked the Unions for their involvement and support.

**ACTION: MOTION TO ACCEPT THE FISCAL YEAR END MONTHLY BUDGET STATUS REPORTS FOR JUNE 30, 2015; AND ADOPTION OF THE SCHEDULE OF RESERVE ACCOUNT BALANCES AS PRESENTED**

**MOTION: DIRECTOR LEOPOLD**

**SECOND: DIRECTOR LANE**

**MOTION PASSED WITH 9 AYES (Directors Bottorff, Bustichi, Chase, Dutra, Hagen, Lane, Leopold, McPherson and Rotkin). Director Cervantez arrived late. Directors Friend and Blitzer were absent.**

- 15 CONSIDERATION OF THE ADOPTION OF CHAPTER 7 TO TITLE I OF THE SANTA CRUZ METRO ADMINISTRATIVE CODE - RESERVE FUND POLICY  
Angela Aitken, Finance Manager, provided commentary to the staff report.

Director Leopold supported the report, noting that the 2/3 vote allows for action if deemed necessary.

**ACTION: MOTION TO ADOPT CHAPTER 7 TO TITLE I OF THE SANTA CRUZ METRO ADMINISTRATIVE CODE - RESERVE FUND POLICY AS PRESENTED**

**MOTION: DIRECTOR HAGEN**

**SECOND: DIRECTOR LANE**

**MOTION PASSED WITH 9 AYES (Directors Bottorff, Bustichi, Chase, Dutra, Hagen, Lane, Leopold, McPherson and Rotkin). Director Cervantez arrived late. Directors Friend and Blitzer were absent.**

- 16 CONSIDERATION TO WAIVE \$3.00 FEE FOR SMART CARD FARE MEDIA AND TO AMEND AR-1031, SMART CARD POLICY, TO REFLECT FEE WAIVER  
Ciro Aguirre, COO, highlighted the benefits to the riding public and the cost savings through improved boarding time, higher level of convenience, etc. This will begin with the Highway 17 service.

Vice Chair Rotkin and Director Hagen agreed that the loading/boarding time is valuable and can make a huge difference. Director Chase echoed their response and expressed her appreciation to the creativity aimed at increasing ridership and improving rider experience.

**ACTION: MOTION TO WAIVE THE \$3.00 FEE FOR SMART CARD FARE MEDIA AND TO AMEND AR-1031, SMART CARD POLICY, TO REFLECT THE FEE WAIVER WITH METRO STAFF RETURNING TO THE BOARD IN ONE YEAR TO PRESENT THE RESULTS**

**MOTION: DIRECTOR BUSTICHI**

**SECOND: DIRECTOR LEOPOLD**

**MOTION PASSED WITH 9 AYES (Directors Bottorff, Bustichi, Chase, Dutra, Hagen, Lane, Leopold, McPherson and Rotkin). Director Cervantez arrived late. Directors Friend and Blitzer were absent.**

- 17 REVISED METROBASE PHASE II (OPERATIONS BUILDING) LIFE OF PROJECT BUDGET AND CAPITAL RESOURCE ALLOCATION PLAN

- 18 CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A CONTRACT EXTENSION WITH HILL INTERNATIONAL, INC. FOR PROJECT MANAGEMENT CONSULTANT SERVICES, INCREASING THE CONTRACT TOTAL BY \$133,000

The Board accepted CEO Clifford's suggestion that Items 17 and 18 be handled jointly due to the remaining time constraints.

CEO Clifford elaborated on the submitted staff report and noted that the building will not be complete on October 31<sup>st</sup> as planned. The new anticipated date will be in December 2015.

Director Leopold asked if December is a realistic completion date. CEO Clifford stated that we are working hard to accomplish this. Chair Bustichi cautioned setting a distant completion date could allow the general contractor to take advantage. Director Leopold jokingly then pounded the table and said "get it done by December!"

**ACTION: MOTION TO AUTHORIZE THE CEO TO EXECUTE A CONTRACT EXTENSION WITH HILL INTERNATIONAL, INC. FOR PROJECT MANAGEMENT CONSULTANT SERVICES, INCREASING THE CONTRACT TOTAL BY \$133,000, AS PRESENTED**  
**MOTION: DIRECTOR LANE SECOND: DIRECTOR McPHERSON**  
**MOTION PASSED WITH 9 AYES (Directors Bottorff, Bustichi, Chase, Dutra, Hagen, Lane, Leopold, McPherson and Rotkin). Director Cervantez arrived late. Directors Friend and Blitzer were absent.**

- 19 CONSIDERATION OF A RESOLUTION TO ADOPT AN ART AND HISTORY PILOT PROJECT AT SANTA CRUZ METRO BUS STOPS  
Director John Leopold distributed a letter from the Executive Director of the Art and History Museum to the assembly and elaborated on some of the 1965 historical events and the 50<sup>th</sup> Anniversary coming up in December. This historical marker at Soquel and Dover will be used as a test case in the community to share art and history events.

**ACTION: MOTION TO ACCEPT THE RESOLUTION TO ADOPT AN ART AND HISTORY PILOT PROJECT AT SANTA CRUZ METRO BUS STOPS AS PRESENTED**  
**MOTION: DIRECTOR BUSTICHI SECOND: DIRECTOR HAGEN**  
**MOTION PASSED WITH 9 AYES (Directors Bottorff, Bustichi, Chase, Dutra, Hagen, Lane, Leopold, McPherson and Rotkin). Director Cervantez arrived late. Directors Friend and Blitzer were absent.**

- 20 CEO TO GIVE ORAL REPORT  
Alex Clifford, CEO, had no report.

- 21 REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION  
Leslyn Syren, General Counsel, announced two issues to be discussed in closed session:
- CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION  
(Government Code Section 54956.9(a))  
Name of Case: Rocha vs SCMTD, et. Al  
Santa Cruz Superior Court No. CIS-CV-180550
  - PUBLIC EMPLOYEE PERFORMANCE EVALUATION  
Title: District Counsel

She did not anticipate a report out afterwards.

***Director Cervantez arrived at 10:50A***



- 22 ANNOUNCEMENT OF NEXT MEETING: FRIDAY, NOVEMBER 13, 2015 AT 8:30 AM,  
SANTA CRUZ COUNCIL CHAMBERS, 809 CENTER STREET, SANTA CRUZ  
Vice Chair Rotkin announced the next meeting as referenced above.
- 23 ADJOURNMENT  
Vice Chair Rotkin adjourned the meeting at 10:52AM

Respectfully submitted,

Gina Pye  
Executive Assistant