

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Minutes- Board of Directors

August 25, 2006

A Regular Meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District met on Friday, August 25, 2006 at the Santa Cruz City Council Chambers, 809 Center Street, Santa Cruz, CA.

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

SECTION 1: OPEN SESSION

1. ROLL CALL:

DIRECTORS PRESENT

Jan Beautz (arrived after roll call)
Dene Bustichi
Mike Keogh
Kirby Nicol
Emily Reilly
Mike Rotkin
Dale Skillicorn
Pat Spence
Marcela Tavantzis

DIRECTORS ABSENT

Michelle Hinkle
Mark Stone
Ex-Officio Wes Scott

STAFF PRESENT

Ciro Aguirre, Operations Manager
Frank Cheng, MetroBase Project Manager
Mark Dorfman, Assistant General Manager
Margaret Gallagher, District Counsel

Elisabeth Ross, Finance Manager
Robyn Slater, Human Resources Manager
Tom Stickel, Maintenance Manager
Les White, General Manager

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

Carolyn Derwing, UTU
Gary Klemz, SEIU Field Representative
Paul Marcelin-Sampson, Metro Riders Union
Wally Parham, UTU Retiree
Beverly Poteete, UTU Retiree

Emery Ross, Mgmt Retiree
Paul Schraeder, Mgmt Retiree
Mike Tomassee, "King of Marijuana"
Amy Weiss, Spanish Interpreter
Bob Yount, MAC

2. ORAL AND WRITTEN COMMUNICATION

Written:

- a. Mark Stone, Co. Board of Supervisors
- b. Beverly A. Poteete, Retiree**

Re: Public Transit Resources
Re: Retiree Medical Premiums

Oral:

Paul Marcelin-Sampson, Metro Riders Union, thanked the Board and Staff for the Hwy 17 improvements and said that the Riders Union would be publishing wallet size Hwy 17 schedules which will be available online at <http://www.iridethebus.org/> starting September 1st. Mr. Marcelin-Sampson passed around a sample in draft form, which is attached to the file copy of these minutes.

3. LABOR ORGANIZATION COMMUNICATIONS

None.

4. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

A Resolution for Item #15 and additional Written Communication were distributed today and are attached to the file copy of these minutes.

DIRECTOR BEAUTZ ARRIVED

SECTION I:

OPEN SESSION:

ADD TO ITEM #2

ORAL AND WRITTEN COMMUNICATION
(Insert new Written Communication)

CONSENT AGENDA:

ADD TO ITEM #5-1

APPROVE REGULAR BOARD MEETING MINUTES OF JUNE 9 & 23
AND JULY 14 & 28, 2006
(Insert July Minutes)

ADD TO ITEM #5-3

ACCEPT AND FILE JULY 2006 RIDERSHIP REPORT
(Insert Pages 1 and 4)

INSERT ITEM #5-4

CONSIDERATION OF TORT CLAIMS
(Insert Claim #06-0019)

DELETE ITEM #5-7

ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR
MAY 2006 AND APPROVAL OF BUDGET TRANSFERS
(Will be included in the September 2006 Board Packet)

INSERT ITEM #5-8

ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR MAY 2006
(Insert Report)

INSERT ITEM #5-10

ACCEPT AND FILE UNIVERSITY OF CALIFORNIA, SANTA CRUZ
SERVICE UPDATE FOR MONTH OF JUNE 2006
(Insert Staff Report)

INSERT ITEM #5-12

ACCEPT AND FILE METROBASE STATUS REPORT
(Insert Staff Report)

ADD ITEM #5-14

**AUTHORIZE THE GENERAL MANAGER TO EXECUTE A 1-YEAR
EXTENSION TO THE CONTRACT WITH MONTE FOUNDATION TO
PROVIDE TRANSIT SERVICE TO THE 2006 FIREWORKS
FESTIVAL**
(Insert Staff Report)

- ADD ITEM #5-15** **CONSIDERATION OF APPROVAL OF REVISED BOARD MEMBER TRAVEL FOR FY 06-07**
(Insert Staff Report)
- ADD ITEM #5-16** **CONSIDERATION OF AUTHORIZING FREE RIDES FOR ATTENDEES OF THE APTA ANNUAL MEETING IN SAN JOSE OCTOBER 7th TO 13th**
(Insert Staff Report)
- REGULAR AGENDA:**
DELETE ITEM #7 CONSIDERATION OF ADOPTION OF RESOLUTION OF APPRECIATION FOR THE LEADERSHIP OF CONGRESSMAN SAM FARR IN OBTAINING THE INCLUSION OF FUNDS FOR THE PACIFIC STATION REDEVELOPMENT PROJECT IN THE FY 2007 HOUSE TRANSPORTATION APPROPRIATIONS LEGISLATION FOR THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
(Deleted: Action taken at the August 11, 2006 Board Meeting)
- DELETE ITEM #8** REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION
(No Closed Session Items on this Agenda)
- DELETE ITEM #9** ORAL AND WRITTEN COMMUNICATIONS REGARDING CLOSED SESSION
(No Closed Session Items on this Agenda)
- DELETE ITEM #10** REPORT OF CLOSED SESSION
(No Closed Session Items on this Agenda)
- DELETE ITEM #11** CONSIDERATION OF APPROVAL OF A THREE-YEAR MEMORANDUM OF UNDERSTANDING BETWEEN UTU, LOCAL 23, PARACRUZ DIVISION AND SANTA CRUZ METRO
(Deleted: Action taken at the August 11, 2006 Board Meeting)
- ADD ITEM #12** **CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT WITH CABRILLO COLLEGE FOR TRANSIT SERVICE**
(Insert Staff Report)
- ADD ITEM #13** **CONSIDERATION OF APPROVAL OF RETIREE SUPPLEMENTAL MEDICAL INSURANCE PAYMENT PROGRAM**
(Insert Staff Report)
- ADD ITEM #14** **CONSIDERATION OF APPROVAL OF 2006 – 2008 MANAGEMENT COMPENSATION PLAN**
(Insert Staff Report)
- ADD ITEM #15** **CONSIDERATION OF A RESOLUTION AUTHORIZING THE SALE OF THE PROPERTY LOCATED AT 25 SAKATA LANE IN WATSONVILLE, CALIFORNIA TO DON HOUP, CARMEL, CALIFORNIA FOR \$3,100,000 AND AUTHORIZING THE GENERAL MANAGER TO SIGN THE NECESSARY DOCUMENTS TO COMPLETE THE SALE**
(Will be distributed at the August 25, 2006 Board Meeting)

CONSENT AGENDA

- 5-1. APPROVE REGULAR BOARD MEETING MINUTES JUNE 9 & 23 AND JULY 14 & 28, 2006
- 5-2. ACCEPT AND FILE PRELIMINARILY APPROVED CLAIMS FOR THE MONTH OF JULY 2006
- 5-3. ACCEPT AND FILE JULY 2006 RIDERSHIP REPORT
- 5-4. CONSIDERATION OF TORT CLAIMS: DENY THE CLAIM OF CHRIS MERRILL, CLAIM #06-0019
- 5-5. ACCEPT AND FILE THE METRO ADVISORY COMMITTEE (MAC) AGENDA FOR AUGUST 16, 2006 AND MINUTES OF JUNE 21, 2006
- 5-6. ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR APRIL 2006 AND APPROVAL OF BUDGET TRANSFERS
- 5-7. DELETED: WILL BE INCLUDED IN THE SEPTEMBER 2006 BOARD PACKET
(ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR MAY 2006 AND APPROVAL OF BUDGET TRANSFERS)
- 5-8. ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR MAY 2006
- 5-9. ACCEPT AND FILE PARACRUZ OPERATIONS STATUS REPORT FOR THE MONTH OF MAY 2006
- 5-10. ACCEPT AND FILE UNIVERSITY OF CALIFORNIA, SANTA CRUZ SERVICE UPDATE FOR MONTH OF JUNE 2006
- 5-11. ACCEPT AND FILE MINUTES REFLECTING VOTING RESULTS FROM APPOINTEES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR THE JUNE 2006 MEETING(S)
- 5-12. ACCEPT AND FILE METROBASE STATUS REPORT
- 5-13. ACCEPT AND FILE INFORMATION REGARDING HIGHWAY 152 CORRIDOR BUS STOPS
- 5-14. AUTHORIZE THE GENERAL MANAGER TO EXECUTE A 1-YEAR EXTENSION TO THE CONTRACT WITH MONTE FOUNDATION TO PROVIDE TRANSIT SERVICE TO THE 2006 FIREWORKS FESTIVAL
- 5-15. CONSIDERATION OF APPROVAL OF REVISED BOARD MEMBER TRAVEL FOR FY 06-07
- 5-16. CONSIDERATION OF AUTHORIZING FREE RIDES FOR ATTENDEES OF THE APTA ANNUAL MEETING IN SAN JOSE OCTOBER 7th TO 13th

Director Spence requested the following correction be made to page #7 of the Minutes of the July 28, 2006 Board meeting: Director Spence stated that her comment was regarding passengers utilizing mobility devices being bypassed at bus stops because the priority seating areas were occupied.¹

ACTION: MOTION: DIRECTOR REILLY SECOND: DIRECTOR BUSTICHI

Approve the Consent Agenda with requested change to the July 28, 2006 Board Minutes

Motion passed unanimously with Directors Hinkle and Stone being absent.

¹ This change has been made to the file copy of the July 28, 2006 Minutes

REGULAR AGENDA

6. PRESENTATION OF EMPLOYEE LONGEVITY AWARDS

The following employee was awarded a longevity certificate for her years of service:

TEN YEARS

Les D. Beck, Bus Operator
Steven E. Davidson, Bus Operator
Sharon D. Toline, Bus Operator

12. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT WITH CABRILLO COLLEGE FOR TRANSIT SERVICE

Summary:

Mark Dorfman reported that the Board had extended the Cabrillo contract through the end of August and that this new contract will mirror the UCSC contract, having the same rates and end date. Mr. Dorfman said this contract was infinitely easier to negotiate compared to past contracts and that Cabrillo staff is receptive to working with METRO and having quarterly meetings.

ACTION: MOTION: DIRECTOR TAVANTZIS SECOND: DIRECTOR REILLY

Authorize the General Manager to negotiate and execute a new contract with Cabrillo College for the provision of transit services

Motion passed unanimously with Directors Hinkle and Stone being absent.

13. CONSIDERATION OF APPROVAL OF RETIREE SUPPLEMENTAL MEDICAL INSURANCE PAYMENT PROGRAM

Summary:

Les White reported that Staff had been working on this issue for several months and explained the events that lead up to the current situation that METRO and its retirees are facing regarding medical premiums. METRO staff has contacted CalPERS staff and retired employee associations to gather information regarding the equal contribution provision of the PEMHCA. METRO has developed a proposal that would re-establish a supplemental payment program for retiree health insurance premiums effective April 1, 2006 and be in compliance with PEMHCA.

Staff recommends that the Board approve the following:

- 1) Reaffirm METRO's commitment to its retirees, excluding those who retired under separate agreements with conflicting language, that they receive the benefits they retired under for the duration of their retirement; and
- 2) Reinstate supplemental payments effective April 1, 2006 to retirees who retired prior the implementation of the current labor agreements: July 1, 2005 for SEIU and Management, prior to September 1, 2005 for UTU Fixed Route, and to date for UTU ParaCruz; However

those who retired under separate agreements that have conflicting language are specifically excluded; and

- 3) Authorize that language be negotiated with the unions to address retiree benefit levels for employees who retire after July 1, 2005 for SEIU, after September 1, 2005 for UTU fixed Route. The language negotiated with the unions should conform to the intent of the policy being that retiree benefit levels are vested at the time of retirement

Mr. White reported that SEIU has indicated they have grave concerns with regard to this and desire to be taken out of the third provision.

Discussion:

Paul Schraeder, Management Retiree, expressed gratitude to the Board and acknowledged Les White and Elisabeth Ross for their effort in solving this complicated problem. Mr. Schraeder also thanked Emery Ross for his involvement and he urged the Board to approve the proposed plan.

Beverly Poteete, UTU Retiree, withdrew her written communication included in today's Board Packet and urged the Board to approve the proposal.

Wally Parham, UTU Retiree, urged the Board to approve the proposal.

Carolyn Derwing, UTU, reported that UTU supports this and urged the Board to approve the recommendation.

Gary Klemz, SEIU, stated that SEIU is in favor of supporting the recommendation if the current labor agreement language can be negotiated.

Mike Tomasse, "King of Marijuana", urged the Board to give retirees everything they need.

Emery Ross, Management Retiree, thanked Paul Schraeder for his involvement and also thanked Les White.

ACTION: MOTION: DIRECTOR TAVANTZIS SECOND: DIRECTOR REILLY

Reaffirm METRO's commitment to its retirees, excluding those who retired under separate agreements with conflicting language, that they receive the benefits they retired under for the duration of their retirement; Reinstate supplemental payments effective April 1, 2006 to retirees who retired prior the implementation of the current labor agreements: July 1, 2005 for SEIU and Management, prior to September 1, 2005 for UTU Fixed Route, and to date for UTU ParaCruz; However those who retired under separate agreements that have conflicting language are specifically excluded; Authorize that language be negotiated with the unions to address retiree benefit levels for employees who retire after July 1, 2005 for SEIU, after September 1, 2005 for UTU fixed Route. The language negotiated with the unions should conform to the intent of the policy being that retiree benefit levels are vested at the time of retirement

Specifically excluded from the motion and discussion were any employees who left METRO employment pursuant to a Separation Agreement and/or Settlement & Release Agreement.

Motion passed unanimously with Directors Hinkle and Stone being absent.

14. CONSIDERATION OF APPROVAL OF 2006 – 2008 MANAGEMENT COMPENSATION PLAN

Summary:

Les White reported that the proposed Management Compensation Plan applies similar financial authority that was used for the negotiations with the two unions of 4.806% in the first year and 4.386% in the second year which includes a 2% salary increase effective July 1, 2006, a 2% salary increase effective July 1, 2007 and an accompanying one-time payment of \$300 per Manager on July 1, 2007, continuation of 100% CalPERS HMO premiums, an increase in the cellular phone and/or personal internet access, and the PERS Retirement Contribution “swap”.

ACTION: MOTION: DIRECTOR REILLY SECOND: DIRECTOR TAVANTZIS

Approve the Management Compensation Plan for the Fiscal year 2006/2008

Motion passed unanimously with Directors Hinkle and Stone being absent.

15. CONSIDERATION OF A RESOLUTION AUTHORIZING THE SALE OF THE PROPERTY LOCATED AT 25 SAKATA LANE IN WATSONVILLE, CALIFORNIA TO DON HOUPT, CARMEL, CALIFORNIA FOR \$3,100,000 AND AUTHORIZING THE GENERAL MANAGER TO SIGN THE NECESSARY DOCUMENTS TO COMPLETE THE SALE

Summary:

Les White reported that this is the last document needed to close escrow on or before September 11, 2006.

ACTION: MOTION: DIRECTOR SKILLICORN SECOND: DIRECTOR REILLY

Approve Resolution authorizing the sale of the property located at 25 Sakata Lane, Watsonville, California to Donald Houpt, Carmel, California for the sum of \$3,100,000 and authorizing the General Manager to sign the documents necessary to complete the sale and transfer of ownership

Motion passed unanimously with Directors Hinkle and Stone being absent.

ADJOURN

There being no further business, Chair Rotkin adjourned the meeting at 10:05 a.m.

Minutes– Board of Directors
August 25, 2006
Page 8

Respectfully submitted,

CINDI THOMAS
Administrative Services Coordinator