SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Minutes- Board of Directors

August 12, 2005

A Regular Meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District met on Friday, August 12, 2005 at the Santa Cruz City Council Chambers, 809 Center Street, Santa Cruz, CA.

Chair Keogh called the meeting to order at 9:04 a.m.

SECTION 1: OPEN SESSION

1. ROLL CALL:

DIRECTORS PRESENT

DIRECTORS ABSENT

Jan Beautz (arrived after roll call)

Dene Bustichi Stephanie Harlan Michelle Hinkle

Mike Keogh

Emily Reilly

Mike Rotkin

Dale Skillicorn

Pat Spence

Mark Stone

Marcela Tavantzis

Ex-Officio Wes Scott

STAFF PRESENT

Mark Dorfman, Assistant General Manager Terry Gale, IT Manager Margaret Gallagher, District Counsel

Steve Paulson, Paratransit Administrator

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

Glenn Bartz, SEIU
Adela Bates, SEIU
Gary Blair, UTU
Cheryl Brondstatter, PSA
Carlos Carrera, SEIU
Laura Carrera, SEIU
Robert Chacanaca, MBCLC Vice President
Mike Cotroneo, UTU
Patricia Cummings, UTU
John Daugherty, SEIU

Joe Keffer, SEIU Organizing Director Gary Klemz, SEIU Field Representative Carol Koenig, Counsel to UTU Jeff Le Blanc, Transit User Sandra Lipperd, UTU Fred Loguidice, SEIU David Lucier, UTU Retiree Manny Martinez, PSA Ian McFadden, SEA Eduardo Montesino, UTU

James Davidson, UTU Retiree

Steven Davidson, UTU Carolyn Derwing, UTU

Serena Dianisis, Transit User

Daniel Dodge, MBCLC Political Director

Francisco Estrada, UTU

Virginia Edwards, Transit User

Rodney Gonzalez, CWA Anna Gouveia, UTU

Jim Haney, SEIU Co. Chapter President

Andre Hart, UTU Tom Hiltner, SEIU

Lenore Hindin, SEIU Retiree

Jim Hobbs, SEIU Retiree President

Nora Hochman, former SEIU Representative

Betty Howe

JP Jones, UTU Legislative Director

Rickey Kale, UTU

Jason Kameda, UC Student

Bonnie Morr, UTU

Jukka Naukkarinen, UTU

Amy Newell, UCSC UPTE Organizer

Laticia Nixon, Transit User Jeff Northon, UTU Retiree

Jose Polanco, UTU Will Regan, VMU Svlvia Rogers, SEIU

Denise Rossi, SEIU Retiree

Mark Saunders, UTU Dan Stevenson, UTU

Cliff Tillman, SEIU Exec. Director

James Taylor, UTU John Thomas, UTU Don Toline, SEIU Retiree

Mike Tomassee, "King of Marijuana"

Lisa Vercauteren, UTU

Bob Yount, MAC

2. ORAL AND WRITTEN COMMUNICATION

Written:

a. Bob Shaw Re: Service Request

Oral:

None.

3. LABOR ORGANIZATION COMMUNICATIONS

Bonnie Morr, UTU, clarified that Labor Organization comments would be made during Item #8.

A transit user read a poem in support of bus operators.

4. <u>ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS</u>

The following items were distributed at today's meeting and are attached to the file copy of these minutes: additional written communication to the Board, Revised page #5-9.b1, Attachment "A" for Item #10 and Attachment "A" for Item #11.

CONSENT AGENDA

5-1. APPROVE REGULAR BOARD MEETING MINUTES OF JULY 8 AND JULY 22, 2005

No questions or comments.

5-2. ACCEPT AND FILE PRELIMINARILY APPROVED CLAIMS FOR THE MONTH OF JULY 2005

No questions or comments.

5-3. ACCEPT AND FILE JUNE AND JULY 2005 RIDERSHIP REPORTS

Page 1 of the July Ridership Report will be included in the August 26, 2005 Board Packet. No questions or comments.

5-4. CONSIDERATION OF TORT CLAIMS: DENY THE CLAIM OF KRISTINA SCHOFIELD, CLAIM # 05-0017

No questions or comments.

5-5. <u>ACCEPT AND FILE THE METRO ADVISORY COMMITTEE (MAC) AGENDA FOR AUGUST 17, 2005 AND DRAFT MINUTES OF JUNE 15, 2005</u>

No questions or comments.

5-6. ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR JUNE 2005:
APPROVAL OF BUDGET TRANSFERS; DESIGNATION OF EXCESS SALES TAX
FUNDS IN THE AMOUNT OF \$935,000 FOR CARRYOVER IN THE FY 05-06
BUDGET; AND THE REMAINDER, IF ANY, FOR CAPITAL RESERVES; AND
ADOPTION OF SCHEDULE OF RESERVE ACCOUNTS

Will be included in the August 26, 2005 Board Packet. No questions or comments.

5-7. ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR MAY AND JUNE 2005

Will be included in the August 26, 2005 Board Packet. No questions or comments.

5-8. ACCEPT AND FILE PARACRUZ OPERATIONS STATUS REPORT FOR THE MONTH OF MAY 2005

Direction: Director Harlan requested that any complaints received and found to be valid be clarified with a summary including any actions taken in future reports rather than having just the number of complaints listed.

5-9. <u>ACCEPT AND FILE UNIVERSITY OF CALIFORNIA, SANTA CRUZ SERVICE UPDATE FOR THE MONTH OF JUNE 2005</u>

No questions or comments.

5-10. ACCEPT AND FILE METROBASE STATUS REPORT

Will be included in the August 26, 2005 Board Packet. No questions or comments.

5-11. ACCEPT AND FILE MINUTES REFLECTING VOTING RESULTS FROM APPOINTEES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR THE JUNE 2005 MEETINGS

No questions or comments.

5-12. CONSIDERATION OF APPOINTMENT OF MARA MURPHY TO THE METRO
ADVISORY COMMITTEE (MAC) BY DIRECTOR BUSTICHI TO FILL VACANCY OF
JAMES SHELDON

No questions or comments.

5-13. CONSIDERATION OF RENEWING CONTRACT FOR SUPPLY OF DIESEL AND GASOLINE FUELS

No questions or comments.

5-14. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A
NEW LEASE AGREEMENT WITH ABDU AZZUBAIDI FOR SPACE "C" AT PACIFIC
STATION
ACTION REQUESTED AT THE AUGUST 12, 2005 MEETING

Summary:

Margaret Gallagher reported that the new lease would begin September 1st and that the new tenant has requested one-month free rent to offset move-in expenses including space improvement costs.

DIRECTOR BEAUTZ ARRIVED

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR SPENCE

Authorize the General Manager to execute a new lease agreement with Abdo Azzubaidi for Suite C at Pacific Station and authorize District Counsel to negotiate one-month free rent to offset move-in expenses.

Motion passed unanimously with all Directors present.

REGULAR AGENDA

6. PRESENTATION OF EMPLOYEE LONGEVITY AWARDS:

This presentation will take place at the August 26, 2005 Board meeting.

7. 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 its Labor Negotiator and would be discussing one case of anticipated litigation with its Legal Counsel.

8. ORAL AND WRITTEN COMMUNICATIONS REGARDING CLOSED SESSION

Chair Keogh announced that Oral Communications for Items #8, #10 and #11 would be combined and heard as one Item prior to the Board going into Closed Session.

Carol Koenig, Counsel to UTU, warned the Board that it was about to make a very serious and expensive mistake if it voted to unilaterally implement the District's Last, Best, and Final (LBF) Offer to UTU saying the action would be premature and would result in the filing of an unfair labor practice. Ms. Koenig said that UTU was first notified of the LBF only 72 hours ago, that UTU had not rejected and was still considering accepting the offer, that mediation was not complete, and if implemented today, UTU would unite and may strike.

Will Reagan, VMU, SEIU Bargaining Team member, read a written statement, which is attached to the file copy of these minutes, saying that the Management Team's latest proposal was not provided in writing, not clear, and that SEIU had been asked to provide a written proposal prior to today's meeting. Mr. Regan reported that another State mediator is available and urged the Board to resume negotiations.

Caroline Derwing, UTU, expressed her disappointment with the Board, the District and Mr. White for not fully funding UTU medical insurance by using MetroBase capital funding for operating expenses and urged the Board to continue negotiations.

Gary Blair, UTU, stated that the "Brahmans" (management) do not deserve the salary or benefits they receive but that bus operators do and urged the Board to continue negotiations.

Cliff Tillman, SEIU, Local 415 Executive Director, urged the Board to resume negotiations, rather than implement its LBF offer to SEIU, which would cause a strike, because SEIU is willing to continue talking and impasse has not been reached.

John Daugherty, SEIU, read a written statement, which is attached to the file copy of these minutes, urging the Board to resume negotiations with both unions and to consider reallocation of funding approved to fill the vacant Assistant HR Manager and Accounting Technician positions.

Andre Hart, UTU, asked the Board to consider safety regarding the proposed pre-trip time limit and asked that negotiations continue.

Serena Dianisis, Transit User, urged the Board to resume negotiations to avoid a strike.

Bonnie Morr, UTU, implored the Board to "wake up" and listen to the comments being made today. Ms. Morr said that the District proposed language regarding the IWC rule and regulation would be illegal for UTU to accept and introduced J P Jones, UTU's Legislative Director from Sacramento to speak to the Board on that issue.

JP Jones explained that he was on the Board that implemented the Transit Amendment to the Industrial Welfare Commission's (IWC) Wage Order Item #9. Mr. Jones said that since no amendment to UTU's bargaining agreement to waive the rule was in place by the wage order implementation date of August 1, 2005, the District must comply with the wage order as it is written and that it would be illegal for the District to implement its LBF offer regarding this issue.

Jeff Le Blanc, Transit User, asked the Board to hold the line on personnel costs in order to avoid additional service cuts, fare increases and layoffs. Mr. Le Blanc stated that robbing the MetroBase funding would be unwise, but that once MetroBase was built, the District would be in a better position to negotiate increased wages and benefits.

Daniel Dodge, Monterey Bay Central Labor Council Political Director, stated he was present to pledge solidarity to the union workers and that organized labor in this community stands united behind them. Mr. Dodge urged the Board not to balance the budget on the backs of the workers, support labor and "do the right thing."

David Lucier, UTU retiree, read a written statement, which is attached to the file copy of these minutes, comparing the transit system with slavery, describing labor negotiations as ritualized rebellion and describing the Board's responsibility of maintaining the social good and insuring that management does not overstep its role of authority.

Cheryl Brondstatter, PSA, SEIU Bargaining Team member, reported that she has spent 163 hours preparing for and meeting with District officials for negotiations and that healthcare remains the main issue from the beginning. Ms. Brondstatter gave the Webster's Dictionary definition of the word negotiate and urged the Board to resume negotiations and bring a dictionary.

Rodney Gonzalez, Communication Workers of America (CWA) Vice President, urged the Board to continue negotiations and reach a fair contract.

Glenn Bartz, SEIU Bargaining Team member, said the 1980 strike was a very bad time, that negative effects are still present and asked the Board to avoid a repeat of that situation by resuming negotiations and reaching an agreement.

Laticia Nixon, Transit User, urged the Board to resume negotiations and not buy a new building.

Amy Newell, an organizer for UPTE at UCSC, urged Board to resume negotiations and work hard to reach an agreement and avoid a strike.

A senior female Transit User stated she had to walk to work during the last strike and urged the Board to continue negotiations and give the employees what they want to avoid another strike.

Joe Keffer, Organizing Director of SEIU, commented that public entities should not be paying tens of thousands of dollars to negotiators and that labor needs to be united locally because it is being attacked on the state and federal level. Mr. Keffer asked the Board to support labor and continue negotiations.

Tom Hiltner, SEIU, said that the most contentious issue is the cost of healthcare and suggested that the District could use its considerable influence to reform healthcare on a national level and also that because he uses alternative healthcare, which METRO's plan does not cover, he does not believe he should be required to contribute towards health insurance he does not use.

Francisco Estrada, UTU, said the Board has made it very obvious that they do not care about the employees or the public and urged the Board to avoid a strike by continuing negotiations.

Don Toline, SEIU retiree, said medical benefits are especially important to him as a retiree. Mr. Toline said he supports the other speakers and urged the Board to listen and avoid a strike.

Manny Martinez, PSA, SEIU Bargaining Team member, said public statements make it seem that the METRO has already made it's difficult decision, but the employees don't believe it was difficult for Management to make at all. Mr. Martinez also said service has not suffered through the difficult negotiations process because the employees have a commitment to providing service to the public.

Jim Haney, President of County Chapter of SEIU, implored the Board to avoid a strike, support labor, and said that a coalition should be created to address medical insurance.

John Thomas, UTU, stated that he pays \$872 per month towards his health insurance and retirement and asked the Board to rethink that and to treat the font line workers nice and fair because happy staff makes happy passengers.

Jeff Northon, UTU Retiree, said that there would not be a problem now if METRO's resources had not been squandered over the years.

Jukka Naukkarinen, UTU, urged the Board not to eliminate GLA because it is a safety issue and the only way drivers can get a vacation.

Adela Bates, SEIU, stated that METRO is becoming a family un-friendly place and that she cannot afford to pay for health insurance and urged the Board to resume negotiations.

Denise Rossi, SEIU retiree, said that employees and retirees need to be rewarded with an attractive, stable benefits package.

Mark Saunders, UTU, said that although METRO drivers are the 9th highest paid in the nation, Santa Cruz is the 2nd most expensive area to live in. Mr. Saunders said that the job is very stressful, is not something any "slope-headed mouth-breather" can do and that working longer days will not be safe. He urged the Board to reconsider what they are doing.

Anna Gouveia, UTU, said she was concerned about health insurance costs, job stress, and elimination of incentives and said worker's comp claims would be on the rise.

Mike Cotroneo, UTU, suggested taking a less-ambitious course to complete MetroBase saying that a 2nd level could be added to the Operations building to cut costs.

Lenore Hindin, SEIU retiree and former Bus Operator, stated she was forced into retirement and has had 5 major surgeries for her hips that were damaged driving buses and she urged the Board to continue negotiations.

Jason Kameda, UC student, praised METRO's service and said he appreciates the position the Board is in, but urged the Board to provide more employee benefits, more service and support labor in the community.

Virginia Edwards, Transit User, said she was behind the drivers 100% and urged the Board to help them out.

Dan Stevenson, UTU, said he wished to respond to the public relations battle and clarify facts for the public because he gathered that the Board would not listen to anybody here. Mr. Stevenson said the Board is made up of politicians, has no credibility, no structure for accountability, members should step down, stop nitpicking the drivers' contract, and go back to the negotiating table and sign an agreement.

Nora Hochman, former SEIU representative, stated she was very disturbed about the current status of negotiations. Ms. Hochman said the Board's job as a public body is to do everything they can to direct Staff to find the money to maintain the level of service provided by taking care of the employees.

Jim Hobbs, President of SEIU Retirees, urged the Board to avoid a strike by sending the negotiators back to the table to reach an agreement that everybody can live with.

Robert Chacanaca, Monterey Bay Central Labor Council Vice President, stated that METRO workers have the support of the 15 local unions the Central Labor Council represents and he encouraged the Board to resume negotiations.

lan McFadden, SEA, SEIU Bargaining Team member, said that he had become cynical over the course of the negotiations process by comments that had been made. Mr. McFadden informed the Board that Management did not attend either of the 2 meetings PERS had held on GASB 45, which is a new regulation requiring agencies to account for their retirement benefits, and said that the Board would be, without doubt, casting a vote for a strike if it votes to impose.

Bonnie Morr, UTU, again implored the Board to listen, hear the workers, and think about the public.

Sandra Lipperd, UTU Vice Chair, said she had never seen such a malicious, vicious attack on the drivers by Management. Ms. Lipperd said the Board has "pissed away" millions of dollars in MetroBase funding over the past 5 years, that MetroBase should not be a priority over the needs of the workers, and urged the Board to resume negotiations to avoid a strike.

Gary Klemz, SEIU, Chief Spokesperson for Bargaining Team, urged the Board to realize that the District's proposed employer medical cap in Article 12.1 has no economical benefit in a 1-year contract and will cause a strike. Mr. Klemz reminded the Board that SEIU has offered 2 different proposals to share the insurance costs but they will not accept a cap and urged the Board to continue negotiations.

Rickey Kale, UTU, said he commutes from East Bay and urged the Board to continue negotiations and not to forget about the public ridership first, drivers second, and everyone else last.

Mike Tomassee, "King of Marijuana", said he supports the drivers and urged the Board to give them what they need and be real nice to them to avoid a strike.

SECTION II: CLOSED SESSION

Chair Keogh adjourned to Closed Session at 10:55 a.m. and reconvened to Open Session at 12:35 p.m.

SECTION III: RECONVENE TO OPEN SESSION

9. REPORT OF CLOSED SESSION

Margaret Gallagher had nothing to report at this time.

CHAIR KEOGH TOOK ITEMS #10 AND #11 TOGETHER AS ONE ITEM

- 10. CONSIDERATION OF IMPLEMENTATION OF SANTA CRUZ METRO'S BEST, LAST AND FINAL OFFER OF CHANGES TO WAGES, HOURS, WORKING CONDITIONS, AND OTHER CONDITIONS OF EMPLOYMENT FOR UTU REPRESENTED FIXED ROUTE BUS OPERATORS EFFECTIVE SEPTEMBER 1, 2005

 ACTION REQUESTED AT THE AUGUST 12, 2005 MEETING
- 11. CONSIDERATION OF IMPLEMENTATION OF SANTA CRUZ METRO'S BEST, LAST AND FINAL OFFER OF CHANGES TO WAGES, HOURS, WORKING CONDITIONS, AND OTHER CONDITIONS OF EMPLOYMENT FOR SEIU REPRESENTED EMPLOYEES EFFECTIVE SEPTEMBER 1, 2005

 ACTION REQUESTED AT THE AUGUST 12, 2005 MEETING

ACTION: MOTION: DIRECTOR STONE SECOND: DIRECTOR KEOGH

Based on discussion held in Closed Session, the Board is not at a point to implement either contract today. Direct the Management Negotiating Team to be available for mediation with the UTU and SEIU Bargaining Units to provide these Bargaining Units with the opportunity to break the impasse by making any proposals that they believe would be acceptable. Given the time constraints and the need to move forward, these sessions need to be completed no later than the next Board meeting which will be held Wednesday, August 17, 2005 at 9:00 a.m. at the Santa Cruz City Council Chambers.

Vice Chair Rotkin reported that the State Mediation Conciliation Service had been contacted and a mediator would be available

Sunday and Monday for any proposals the unions would wish to make with the mediator present.

Motion passed unanimously with all Directors present.

ADJOURN

There being no further business, Chair Keogh adjourned the meeting at 12:38 p.m. to reconvene on Wednesday, August 17, 2005 at 9:00 a.m. at the Santa Cruz City Council Chambers.

Respectfully submitted,

CINDI THOMAS
Administrative Services Coordinator

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Minutes- Board of Directors

August 17, 2005

The August 12, 2005 Regular Meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District reconvened on Wenesday, August 17, 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. and announced this meeting was being reconvened from the adjourned meeting of August 12, 2005.

SECTION 1: OPEN SESSION

1. ROLL CALL:

DIRECTORS PRESENT

DIRECTORS ABSENT

Dene Bustichi
Stephanie Harlan
Michelle Hinkle
Mike Keogh
Emily Reilly
Mike Rotkin
Dale Skillicorn
Pat Spence
Mark Stone
Marcela Tayantzis

Jan Beautz Ex-Officio Wes Scott

STAFF PRESENT

Mark Dorfman, Assistant General Manager Margaret Gallagher, District Counsel Elisabeth Ross, Finance Manager Robyn Slater, Human Resources Manager Judy Souza, Acting Operations Manager Tom Stickel, Maintenance Manager Les White, General Manager

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

Patricia Cummings, UTU Gary Klemz, SEIU Field Representative Manny Martinez, PSA Courtney Mogg, SEIU Bonnie Morr, UTU Jukka Naukkarinen, UTU Will Regan, VMU

REGULAR AGENDA

7. 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 its Labor Negotiator.

Les White reported that Items #10 and #11, which are Consideration of Implementation of 2 Labor Contract Offers and that Staff is recommending that the Board not consider or take action on those items today.

8. ORAL AND WRITTEN COMMUNICATIONS REGARDING CLOSED SESSION

Chair Keogh announced that Oral Communications for Items #8, #10 and #11 would be combined and heard as one Item prior to the Board going into Closed Session.

Bonnie Morr, UTU, said that negotiations have been a difficult process for all parties. Ms. Morr said that UTU still feels that nobody is hearing what they are saying, UTU is very disappointed in the Direction the Board is going, and in how much time and money is being spent on negotiations that should have been settled in the beginning.

Jukka Naukkarinen, UTU, commented that bus drivers are underpaid according to several independent organizations that say a person needs to make \$28.67 per hour to live in Santa Cruz, which is the 2nd most expensive county in the US and he urged the Board not to eliminate GLA because it is a safety issue and the only way low-seniority drivers can get a vacation.

Gary Klemz, SEIU, Chief Spokesperson for Bargaining Team, thanked the Board for not imposing contracts today and for allowing negotiations to continue. Mr. Klemz asked the Board for support in reaching a settlement.

Chair Keogh announced for the record that several letters from individuals regarding labor negotiations had been distributed at today's meeting.

SECTION II: CLOSED SESSION

Chair Keogh adjourned to Closed Session at 9:09 a.m. and reconvened to Open Session at 10:30 a.m.

SECTION III: RECONVENE TO OPEN SESSION

9. REPORT OF CLOSED SESSION

Margaret Gallagher had nothing to report at this time.

CHAIR KEOGH TOOK ITEMS #10 AND #11 TOGETHER AS ONE ITEM

- 10. CONSIDERATION OF IMPLEMENTATION OF SANTA CRUZ METRO'S BEST, LAST AND FINAL OFFER OF CHANGES TO WAGES, HOURS, WORKING CONDITIONS, AND OTHER CONDITIONS OF EMPLOYMENT FOR UTU REPRESENTED FIXED ROUTE BUS OPERATORS EFFECTIVE SEPTEMBER 1, 2005

 ACTION REQUESTED AT THE AUGUST 12, 2005 MEETING
- 11. CONSIDERATION OF IMPLEMENTATION OF SANTA CRUZ METRO'S BEST, LAST AND FINAL OFFER OF CHANGES TO WAGES, HOURS, WORKING CONDITIONS, AND OTHER CONDITIONS OF EMPLOYMENT FOR SEIU REPRESENTED EMPLOYEES EFFECTIVE SEPTEMBER 1, 2005

 ACTION REQUESTED AT THE AUGUST 12, 2005 MEETING

Les White reported that Staff recommends that the Board take no action today with regard to Items #10 and #11. The Board agreed to take no action today.

Chair Keogh announced that the next regularly scheduled meeting will be held on Friday, August 26th at 9:00 a.m. at the Santa Cruz City Council Chambers.

ADJOURN

There being no further business, Chair Keogh adjourned the meeting at 10:32 a.m.

Respectfully submitted,

CINDI THOMAS
Administrative Services Coordinator