



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)  
PERSONNEL/HUMAN RESOURCES STANDING COMMITTEE AGENDA  
REGULAR MEETING MINUTES\*  
MAY 1, 2018 – 10:00AM  
METRO ADMIN OFFICES  
110 VERNON STREET  
SANTA CRUZ, CA 95060**

The Personnel/Human Resources Standing Committee convened a meeting as referenced above. The 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. \*Minutes are “summary” minutes, not verbatim minutes. Audio recordings of Board meeting open sessions are available to the public upon request.

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**COMMITTEE ROSTER**

Director Cynthia Chase, Board Vice Chair	City of Santa Cruz
Director Jimmy Dutra, Immediate Past Board Chair	City of Watsonville
Director Norm Hagen	County of Santa Cruz
Director John Leopold	County of Santa Cruz
Director Bruce McPherson, Board Chair	County of Santa Cruz
Alex Clifford	METRO CEO/General Manager
Julie Sherman	METRO General Counsel

**CALL TO ORDER** at 10:05AM by Committee Chair McPherson

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

<b>Director Jimmy Dutra</b>	<b>City of Watsonville</b> AR 10:11AM
<b>Director Norm Hagen</b>	<b>County 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>

Directors Chase was absent

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

Patti Davidoski, METRO  
Joan Jeffries, SEIU

Debbie Kinslow, METRO

## **ADDITIONS/DELETIONS FROM AGENDA/ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS**

None

## **COMMUNICATIONS TO THE PERSONNEL/HUMAN RESOURCES STANDING COMMITTEE**

None

## **CONSIDERATION OF THE [FINAL CPS HR CONSULTING MANAGEMENT COMPENSATION STUDY RESULTS](#) AND DISCUSSION OF AN IMPLEMENTATION STRATEGY**

Jolene Church, HR Manager, and Ms. Andi Bernard, CPS HR representative, discussed and presented the results of the study, including the methodology, process, steps, survey document, total compensation versus base salary and various other results.

*Director Dutra Arrived 10:11AM*

Some of the highlights noted included:

- Nine peer agencies were used to match 70% of the similarities. Of the eleven agencies, two (San Joaquin and Santa Barbara) declined to participate, citing staffing constraints.
  - Santa Barbara may be an unfair peer due to their non-CalPERS status
  - Julie Sherman, General Counsel, and CEO Clifford offered to follow up with Santa Barbara and San Joaquin to obtain the requested information
- Establishing METRO's pay philosophy is an integral part of the process
- Of the 18 management positions, the Marketing, Communications and Customer Service and Safety, Security and Risk Management Director positions are vacant
- The transit industry is unique in continuing to provide great benefits to its employees; e.g., classic benefit plans, which were popular 15 years ago and which many governmental entities no longer provide.
- There is no agency contribution standard for deferred comp except for those agencies that bridge the gap for PEPRA employees. Most agencies no longer consider longevity; but, link it to merit pay (Table B3, Page 5A.38)
- Many Northern California agencies are no longer providing telephones or allowances due to privacy concerns (Table B4, Page 5A.39)
- Retiree health benefits have seen major changes over the recent past; e.g., Santa Cruz County now ties this to employee longevity (Tables B5, 6, and 7, Pages 5A.40 – 5A.42)
- Some agencies, driven by culture and fiscal liability, are no longer offering "cash-outs" (Tables B-8 and B-9, Pages 5A.43 - 46)
- Accruals for time off are often negotiated by those in management positions

### Definitions

- DNA – Data Not Available
- No Policy – no formal documentation exists

### Board discussion:

Establishing METRO's pay philosophy is an integral part of the process.

The potential fiscal impact to METRO (as high as \$800K+) should be considered across the agency. Union negotiations are forthcoming in the near future. In addition, if SB1 is repealed, METRO would lose a major funding source. However, we do need to consider market parity.

CEO Clifford expressed concerns in hindsight about the comparables used and suggested METRO should have solicited CPS' recommendation(s) and further discussed which comparables would be appropriate, rather than using the comparables agreed in a side letter for SEIU-represented employees. As a result, we now have some very large transit properties in the list of comparables, which artificially inflates the numbers. It has also been brought to his attention that the comparables mistakenly included SamTrans. He suggested that CPS re-calculate the fiscal impact to METRO after removing the four

largest properties. (CEO Clifford provided the attached handout listing the operating budgets of the peer agencies for board consideration.)

Discussion as to whether the same comparables should be used for management and SEIU-represented employees. CEO Clifford does not anticipate as large an impact with the SEIU class and comp because the SEIU has obtained frequent/twice a year wage surveys and reclasses for many years for numerous positions in contract. A class and comp study has never been performed for METRO's management positions.

There was discussion regarding the potential financial impact if the management and SEIU-represented salaries are implemented at the highest level and balancing/maintaining the current level of service. A number of scenarios were discussed, including obtaining missing agency information (Santa Barbara and San Joaquin) and removing the largest four agencies (Santa Clara Valley Transit Authority, Alameda Contra Costa Transit District, Golden Gate Transit District and San Mateo County Transit) from the list of comparable agencies.

Public comment:

Olivia Martinez, SEIU, acknowledged the difference between the management study and the anticipated SEIU study. She recalled when the County implemented a percentage approach when they faced this situation years ago.

Follow up Requests:

Director Dutra: How many METRO employees have used the tuition reimbursement benefit?

Committee direction to the CEO: Attempt to obtain the missing agencies' information, remove four large transit agencies (Santa Clara Valley Transit Authority, Alameda Contra Costa Transit District, Golden Gate Transit District and San Mateo County Transit) and re-examine the numbers with this new information at the June 8<sup>th</sup> Committee Meeting, with a goal to reach a recommendation at that meeting in advance of the June 22<sup>nd</sup> Board meeting. METRO staff will also provide recommendations regarding various current benefits, including vacation, holiday and sick leave accruals and retiree health benefits.

The next Committee meeting will be June 8<sup>th</sup>, at 10:30AM, at METRO's Admin Offices, 110 Vernon Street, Santa Cruz, CA

Meeting was adjourned 11:53AM by Director Dutra.

Submitted by

Gina Pye  
Executive Assistant

# Attachment

## Transit Agency Comparables

Agency	Operating Budget Million \$s	FTEs
County of Santa Cruz (General Fund)	\$ 496	2,438
Santa Clara Valley Transportation Authority (VTA)	\$ 493	2,391
Alameda Contra Costa Transit District (AC Transit)	\$420	2,249
Golden Gate Transit District	\$ 191	820
San Mateo County Transit (SamTrans)	\$ 146	592
City of Santa Cruz (General Fund)	\$ 106	773
Riverside Transit Agency (RTA)	\$ 82	907
Santa Cruz METRO	\$ 48	319
Monterey – Salinas Transit District (MST)	\$ 46	250 (250 direct & 112 contracted)
Central Contra Costa County Transit (County Connection)	\$ 38	259