



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)  
BOARD OF DIRECTORS MEETING MINUTES\*  
MARCH 22, 2024 – 9:00 AM**

A regular meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District (METRO) convened on Friday, March 22, 2024, as a hybrid meeting.

The Board Meeting agenda packet can be found online at [www.SCMTD.com](http://www.SCMTD.com). \*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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**1 CALLED TO ORDER** at 9:00 AM by Board Chair Brown.

**2 ROLL CALL**

The following Directors were **present**, representing a quorum:

<b>Director Kristen Brown</b>	<b>City of Capitola</b>
<b>Director Rebecca Downing</b>	<b>County of Santa Cruz</b>
<b>Director Jimmy Dutra</b>	<b>City of Watsonville</b>
<b>Director Shebreh Kalantari-Johnson</b>	<b>City of Santa Cruz</b>
<b>Director Manu Koenig</b>	<b>County of Santa Cruz</b>
<b>Director Donna Lind AR 9:03 AM</b>	<b>City of Scotts Valley</b>
<b>Director Bruce McPherson</b>	<b>County of Santa Cruz</b>
<b>Director Scott Newsome</b>	<b>City of Santa Cruz</b>
<b>Director Larry Pageler</b>	<b>County of Santa Cruz</b>
<b>Director Quiroz-Carter AR 9:08 AM</b>	<b>City of Watsonville</b>
Director Mike Rotkin	County of Santa Cruz
<b>Ex-Officio Director Alta Northcutt</b>	<b>Cabrillo College</b>
<b>Ex-Officio Director Edward Reiskin</b>	<b>UC Santa Cruz</b>
Daniel Zaragoza	Interim CEO/GM
Nicole Witt	General Counsel

**3 RECESS TO SCCIC MEETING**

Board Chair Brown recessed to the SCCIC Meeting at 9:02 AM.

**4 RECONVENE TO BOARD OF DIRECTORS MEETING**

Board Chair Brown reconvened the Board of Directors Meeting at 9:03 AM.

**5 ANNOUNCEMENTS**

5.1 Today’s meeting is being broadcast by Community Television of Santa Cruz County.

5.2 Hector Guzman, Language Line Services, provided Spanish language interpretation services.

**6 BOARD OF DIRECTORS COMMENTS**

Board Chair Brown mentioned the Highway 1 closure in Capitola between Bay Avenue/Porter Street and State Park Drive interchanges has been postponed to April 6, 2024.

Hearing nothing further, Board Chair Brown moved to the next agenda item.

**7 ORAL AND WRITTEN COMMUNICATIONS TO THE BOARD OF DIRECTORS**

Board Chair Brown announced there was one additional written communication received and will be added to the agenda packet.

Ms. Cramer and John, members of the public, commented on the accessibility of bus stops and seating.

Hearing nothing further, Board Chair Brown moved to the next agenda item.

**8 LABOR ORGANIZATION COMMUNICATIONS**

Hearing none, Board Chair Brown moved to the next agenda item.

**9 ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS**

Donna Bauer, Executive Assistant, mentioned that an updated presentation for Item 17 was sent to all Board Members on March 21, 2024 to preview and will be added to the agenda packet.

**CONSENT AGENDA**

**10.1 ACCEPT AND FILE: PRELIMINARY APPROVED CHECK JOURNAL DETAIL FOR THE MONTH OF FEBRUARY 2024**

Chuck Farmer, Chief Financial Officer

**10.2 ACCEPT AND FILE MINUTES OF:**

A. FEBRUARY 21, 2024 METRO ADVISORY COMMITTEE MEETING

B. FEBRUARY 23, 2024 BOARD OF DIRECTORS MEETING

C. MARCH 8, 2024 SPECIAL BOARD OF DIRECTORS MEETING

Daniel Zaragoza, Interim CEO/General Manager

**10.3 ACCEPT AND FILE: THE YEAR TO DATE MONTHLY FINANCIAL REPORT AS OF FEBRUARY 29, 2024**

Chuck Farmer, Chief Financial Officer

**10.4 RECOMMENDED ACTION ON TORT CLAIMS**

Gregory Strecker, Safety, Security & Risk Management Director

**10.5 ACCEPT AND FILE: ONE RIDE AT A TIME COMPREHENSIVE REPORT**

Danielle Glagola, Marketing and Communications Director

Director Kalantari-Johnson acknowledged Item 10.5 and thanked METRO staff for this report.

There were no public comments.

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

**MOTION: DIRECTOR PAGELER**

**SECOND: DIRECTOR KOENIG**

**MOTION PASSED WITH 10 AYES (Directors Brown, Downing, Dutra, Kalantari-Johnson, Koenig, Lind, McPherson, Newsome, Pageler, and Quiroz-Carter).  
Director Rotkin was absent.**

## **REGULAR AGENDA**

### **11 PRESENTATION OF EMPLOYEE LONGEVITY AWARDS FOR 25 YEARS: ISAAC HOLLY AND ELMER TORRES**

Board Chair Brown presented both with their certificates and thanked them for their 25 years of service at METRO.

Mr. Holly commented that when he started at METRO, the 9800 series buses were brand new and some are still going today! He said it was an honor and privilege to serve our community as a member of the METRO team.

Mr. Torres thanked everyone and said it has been a great experience serving the community and working with great people at METRO, especially Freddy Rocha, Facilities Maintenance Manager, and Rob Willis, Facilities Maintenance Supervisor, and everyone else I work with. A picture (attached) was screen shared of Mr. Torres installing a bus stop bench shortly after he was hired, and he commented that this bench is still there!

Jordan Vascones, SEIU Local 521, SEA President, congratulated both recipients and commented that both have set a positive culture at METRO. Between the two of them being such hard workers, they have kept that family spirit and culture alive. Elmer has a smile on his face every day. Isaac has been a mentor for me as my manager, so it is great to celebrate their 25 years of service.

### **12 APPROVE: FY25 AND FY26 PRELIMINARY OPERATING BUDGETS AND FY25 CAPITAL BUDGET-PORTFOLIO FOR REVIEW AND TDA/STA CLAIMS PURPOSES**

Chuck Farmer, Chief Financial Officer, spoke to the presentation. He emphasized that this is preliminary data needed by the Santa Cruz County Regional Transportation Commission (RTC) for TDA/STA claims purposes and needs to be approved by the Board. He broke the preliminary budget into three parts—1) base budget is where METRO stands today; 2) Phase 1 and 2 rollouts and those impacts; and 3) free fares. He also reviewed the preliminary capital budget/portfolio and the budget timeline. Over the next two months, decisions and adjustments will be made before presenting the final budget in June 2024.

Discussion followed on:

- Create scenarios that include the budget impacts if a 2026 sales tax measure passes or fails. CFO Farmer responded that those numbers will be included in the five-year plan which is forthcoming.
- Would it help to get the sales tax measure on the 2026 primary election instead of 2026 November election? CFO Farmer said the sooner we know, the better for planning purposes.

- Bus stops enhancements – CFO Farmer said 23 bus shelters have been identified for improvements in the capital budget. John Urgo, Planning and Development Director, added that prioritization is being reviewed based on current condition and ridership throughout the county. There are 34 shelters in the Rapid Bus Enhancements on Soquel Drive and Main Street corridors and Facilities has 12 more in their budget. We are in discussions with the RTC to get a bus stop at the Graham Hill Road location as part of the SLV Schools Access Study. A list was requested by the Board of all the locations to be improved.
- Hydrogen buses – will they be wrapped with One Ride At a Time (ORAT) art and is that included in the budget? CFO Farmer said that cost is included in the purchase price of the buses and included in the budget.
- Free fares – Do we have any visibility as to how we can extend the program to 2026 and if the sales tax is passed, could free fares continue after that? CFO Farmer indicated he is working through the numbers to figure that out.
- Impact of the state budget deficit – CFO Farmer said the release of the Transit and Intercity Rail Capital Program (TIRCP) funding has changed and is a concern.

Ms. Cramer, John, and a third member of the public commented on free fares and careful consideration of the use of METRO's resources.

There were no further public comments.

**ACTION: MOTION TO APPROVE THE FY25 AND FY26 PRELIMINARY OPERATING BUDGETS AND FY25 CAPITAL BUDGET PORTFOLIO FOR REVIEW AND TDA/STA CLAIMS PURPOSES**

**MOTION: DIRECTOR LIND**

**SECOND: DIRECTOR MCPHERSON**

**MOTION PASSED WITH 10 AYES (Directors Brown, Downing, Dutra, Kalantari-Johnson, Koenig, Lind, McPherson, Newsome, Pageler, and Quiroz-Carter). Director Rotkin was absent.**

**13 STATE LEGISLATIVE UPDATE FROM SHAW, YODER, ANTWIH, SCHMELZER AND LANGE**

Michael Pimentel, Shaw, Yoder, Antwih, Schmelzer and Lange, spoke to his presentation. He reviewed the 2023-24 legislative session and the changes in legislative and committee leadership. He reviewed the Governor's proposed budget released in January 2024 for FY24-25. He provided updates on AB102, SB125, SB960, AB610, and AB2824 and the impacts to METRO.

Discussion followed on:

- TIRCP funding and the Governor's proposed distribution.
- Budget – State going from a record surplus to a record deficit and the contributing factors that caused the imbalance between the projections and what was received.
- RTC distribution from the state – \$32 million was appropriated to METRO.

- Status of AB 463 (Hart) - the bill failed and a new path forward needs to happen.
- AB 2824 - the prospects for passing are strong since the committee chair is also the author of the bill and labor organizations are backing it as well.
- LAO's (Legislative Analyst's Office) analysis of the Governor's budget suggested his \$38 billion figure was actually a \$58 billion shortfall.

Board Members thanked Mr. Pimentel for his excellent representation of this agency over the years.

There were no public comments.

**14 FEDERAL LEGISLATIVE UPDATE FROM CAPITAL EDGE**

Chris Giglio, Capital Edge, spoke to his presentation. Congress recently approved the FY24 Department of Transportation's budget and reviewed the highlights. He reviewed items to watch in the remainder of FY24. Results of the November election will impact what occurs with the budget at the end of the calendar year.

Board Chair Brown thanked Mr. Giglio for his time and presentation.

There were no public comments.

*Board Chair Brown announced Items 15 and 16 will be combined.*

**15 APPROVE: EMPLOYMENT AGREEMENT – CEO/GENERAL MANAGER**

**16 APPROVE: REVISED SALARY SCHEDULE FOR CEO/GENERAL MANAGER POSITION**

Nicole Witt, General Counsel, spoke to the key terms of the employment agreement, as required by the Brown Act. Hard copies of the employment agreement and salary schedule were available to the Board and those attending in person.

Board Members' discussion ensued around the allowances for a car, temporary housing, and roundtrip economy air fares. Concern was expressed on providing a generous compensation package and the message being sent to the public when the agency is headed towards a financial cliff. Concerns were raised about METRO being mindful of the people who use the service and what they think they are paying for. METRO is asking college students to pay for service on a day-to-day basis to conduct their lives and yet provide a car allowance to the CEO.

Several Directors countered that the Board did raise these same concerns and a robust discussion was made in the negotiation process. Counteroffers and concessions were made by both parties before coming to this agreement which is in line with similar agencies. The consensus was that it is very expensive to keep hiring people every couple of years and that is why the retention bonus was included. This position requires a lot of travel, and some is done by plane, but a lot is done by driving and the Board felt the car allowance was justified. In addition, the agency is gaining someone who has already achieved the goals we have set out, so we are paying for that experience.

Mr. Torres, SEIU Local 521 Steward, Jordan Vascones, SEIU Local 521, SEA President, Ms. Cramer, Elizabeth, a member of the public, and Brandon Freeman, SMART General Chairperson, Local 0023, commented on the vehicle allowance, the total compensation, and considering public perception with regard to the employment agreement.

**ACTION: MOTION TO APPROVE BOTH ITEMS 15 AND 16 AS TO THE EMPLOYMENT AGREEMENT AND REVISED SALARY SCHEDULE FOR THE CEO/GENERAL MANAGER POSITION**

**MOTION: DIRECTOR KALANTARI-JOHNSON SECOND: DIRECTOR PAGELER**

**MOTION PASSED WITH 10 AYES (Directors Brown, Downing, Dutra, Kalantari-Johnson, Koenig, Lind, McPherson, Newsome, Pageler, and Quiroz-Carter). Director Rotkin was absent.**

Board Chair Brown closed this item by reading a statement provided by Mr. Aldridge. "Thank you for your vote of confidence as we prepare for Reimagine METRO Phase 2. There is plenty on our plate. It is more than just a project. It is an opportunity to further enhance the way we serve our communities. It is aiming for improvements that everyone will notice and appreciate, from more reliable service to environmentally friendly transportation options. This effort is about making tangible differences in the daily lives of our current and future riders. We will be successful by providing our employees with the resources they need to succeed and fostering collaborative relationships with our unions. I am excited for this opportunity and anxious to begin our work together and start moving forward."

**17 PUBLIC HEARING TO RECEIVE PUBLIC COMMENTS ON THE PROPOSED REIMAGINE METRO PHASE 2 SERVICE PROPOSALS FOR IMPLEMENTATION IN JUNE AND SEPTEMBER 2024 WILL COMMENCE AT 9:00 AM OR AS SOON THEREAFTER AS THE MATTER CAN BE HEARD**

John Urgo, Planning and Development Director, introduced the topic before handing the presentation over to Daniel Costantino, Principal Associate with Jarrett Walker & Associates. Mr. Costantino provided a recap of the Reimagine METRO process that has been worked on for the past 15 months and showed a map of the current service. METRO is now ready to implement Phase 2 proposals between now and September 2024. Overall, it includes about a 50% increase in service. He reviewed the public outreach provided and the feedback from the public. The key takeaways from the public outreach meetings were high frequency service, better weekend and evening service, more express service on Highways 1 and 17 and better east-west connections in Santa Cruz. He emphasized the assumptions that the full Phase 2 package relies on: state funding, hiring and training new Bus Operators, availability of a UCSC layover location, and UCSC funding to increase campus-oriented service. However, because discussions are still ongoing with UCSC, he provided two scenarios. Scenario A includes a UCSC layover and funding and Scenario B is feasible now without new resources from UCSC. He reviewed both options in detail and requested the Board to approve Scenario B today so Phase 2 can move forward.

Board Members discussed the following:

When polling was done, were people seeing Scenario A or B. Mr. Urgo replied that they were seeing the original draft plan; there was no polling done on either Scenario A or B.

Discussions have been made about bringing Route 10 back so that it runs clockwise through the campus to balance the service with Route 19 and 15 for the next school term. Mr. Urgo said the routes will be reviewed and even though you are voting on Route 10 today, we will have the flexibility to change it.

Reminded of reliability issues on Route 17.

Depending on where the final budget lands, can METRO start rolling this phase out in June? Mr. Urgo said it is less the budget determining the rollout and more the availability of Bus Operators and having enough buses.

Can Scenario A be revisited if the Board adopts Scenario B today? Mr. Urgo said we can agendaize it and bring it back to the Board.

If we eventually get to Scenario A, how challenging will it be to shift from Scenario B. Mr. Urgo said it is basically two major route changes but doable. Mostly what we implement in B will stay the same.

Concern was raised on UCSC students paying for METRO service that others, excluding Cabrillo, get for free and felt there is an equity issue. Why should this fall on UCSC to fund this when this is a countywide service. Mr. Urgo clarified that METRO is not asking UCSC students to pay more than they already pay. The assumption of the plan is that METRO is operating the same level of service that today METRO and TAPS offer. This means METRO is doubling the amount of service around the loop that it currently provides. The cost of doing that increases revenue hours. The assumption is that it costs METRO about the same to add that service to the loop that is currently allocated in TAPS' budget to run their service. When METRO is pumping up service at UCSC, it means we are doing less in the rest of the community.

The budget presented today represents Scenario A or B? Mr. Urgo replied it is Scenario B.

What challenges is staff facing on providing the real-time information on trips? Mr. Urgo mentioned that none of the articulated buses received from San Diego to service UCSC have the real-time information equipment installed. Most complaints received relate to those buses on Routes 18 and 19. All of the real-time apps indicate to the user whether or not a particular bus is tracking real-time information or schedule information.

#### **PUBLIC HEARING OPENED AT 11:56 AM.**

Brandon Freeman, SMART General Chairperson, Local 0023, recommended that Route 55 not serve Capitola Village directly and use the cost savings to extend service on Route 73 to Corralitos. He said SMART is endorsing Scenario B at this time.

Elizabeth, member of the public, commented that she is familiar with the delays of Route 3 and glad that METRO is addressing those issues. Scenario B sounds like the best option at this time for that reason. She would like to see service restored on the east side of Soquel Avenue on any of the buses that go to Watsonville. She requested the bus stop at Broadway and South Branciforte be reviewed.

Member of the public spoke to Scenario B and expressed disappointment on losing the one-seat ride on the east side and hoped that METRO and UCSC can resolve the campus situation.

Ms. Cramer agreed at this point that Scenario B is a more realistic option. She encouraged all parties involved in the negotiations to provide a UCSC layover area to have that direct route to Capitola and possibly a direct route from campus to the Scotts Valley area.

**PUBLIC HEARING CLOSED AT 12:07 PM.**

**MOTION: APPROVE SCENARIO B AS PRESENTED WHILE CONTINUING DISCUSSIONS AROUND SCENARIO A IN PARTNERSHIP WITH UCSC**

**MOTION: DIRECTOR KALANTARI-JOHNSON SECOND: DIRECTOR LIND**

**MOTION PASSED WITH 10 AYES (Directors Brown, Downing, Dutra, Kalantari-Johnson, Koenig, Lind, McPherson, Newsome, Pageler, and Quiroz-Carter). Director Rotkin was absent.**

**18 INTERIM CEO/GM ORAL REPORT**

Daniel Zaragoza, Interim CEO/General Manager, announced the following items:

- METRO will be participating in the Santa Cruz Earth Day Event on April 20, 2024. There will be a METRO booth and an electric ORAT wrapped bus on display.
- METRO will be providing free fares on fixed route and paratransit on Earth Day, April 22, 2024.
- Bus Operators – we currently have 167 fully qualified Bus Operators and 51 trainees. Another class is starting in April.
- Mentioned METRO made the spring edition of the Santa Cruz Vibes Magazine that was distributed to the Board Members. It discusses One Ride At a Time and Reimagine METRO and is complemented with beautiful pictures.

**19 ANNOUNCEMENT OF NEXT MEETING**

Board Chair Brown announced the next regular Board meeting will be on Friday, April 26, 2024, at 9:00 AM at the METRO Admin Office, 110 Vernon Street, Santa Cruz, CA.

**20 ADJOURNMENT**

Board Chair Brown adjourned the meeting at 12:11 PM.

Respectfully submitted,

Donna Bauer  
Executive Assistant



Attachment



