



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)
BOARD OF DIRECTORS MEETING MINUTES*
October 27, 2023 – 9:00 AM**

A regular meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District (METRO) convened on Friday, October 27, 2023, as a hybrid meeting.

The Board Meeting Agenda Packet can be found online at 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 9:09 AM by Board Chair Kalantari-Johnson.

2 ROLL CALL:

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

Director Kristen Brown	City of Capitola
Director Rebecca Downing	County of Santa Cruz
Director Jimmy Dutra	City of Watsonville
Director Shebreh Kalantari-Johnson	City of Santa Cruz
Director Manu Koenig	County of Santa Cruz
Director Donna Lind	City of Scotts Valley
Director Bruce McPherson	County of Santa Cruz
Director Scott Newsome	City of Santa Cruz
Director Larry Pageler	County of Santa Cruz
Director Quiroz-Carter	City of Watsonville
Director Mike Rotkin	County of Santa Cruz
Ex-Officio Director Dan Henderson	UC Santa Cruz
Ex-Officio Director Alta Northcutt	Cabrillo College
Michael Tree	CEO/General Manager
Nicole Witt	General Counsel

3 ANNOUNCEMENTS

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

Maria Avila, Language Line Services, provided Spanish language interpretation services.

4 BOARD OF DIRECTORS COMMENTS

Hearing none, Board Chair Kalantari-Johnson moved to the next agenda item.

- 5 ORAL AND WRITTEN COMMUNICATIONS TO THE BOARD OF DIRECTORS**
Wayne Ross, member of the public, mentioned the poor customer service he recently received.
- Richard Lewis, member of the public, expressed concern on dealing with graffiti. He was appreciative of METRO allowing youth to ride for free.
- Eduardo Montesino, Reimagine METRO Recruitment and Training Coordinator, provided an update on recruiting Bus Operators and thanked the Human Resources staff for their efforts. He also reported that METRO has been at senior centers and other outlets to educate the public on the upcoming Reimagine route changes.
- Hearing nothing further, Board Chair Kalantari-Johnson moved to the next agenda item.
- 6 LABOR ORGANIZATION COMMUNICATIONS**
Brandon Freeman, SMART Chairperson, Local 0023, introduced Jaime Renteria who will take on the Vice Chairperson role for SMART.
- Hearing nothing further, Board Chair Kalantari-Johnson moved to the next agenda item.
- 7 ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS**
Having none, Board Chair Kalantari-Johnson moved to the next agenda item.

CONSENT AGENDA

- 8.1 ACCEPT AND FILE: PRELIMINARY APPROVED CHECK JOURNAL DETAIL FOR THE MONTH OF SEPTEMBER 2023**
Chuck Farmer, CFO
- 8.2 ACCEPT AND FILE MINUTES OF:**
A. SEPTEMBER 22, 2023 BOARD OF DIRECTORS REGULAR MEETING
B. OCTOBER 13, 2023 FINANCE, BUDGET & AUDIT STANDING COMMITTEE MEETING
C. OCTOBER 13, 2023 PERSONNEL / HUMAN RESOURCES STANDING COMMITTEE MEETING
Michael Tree, CEO/General Manager
- 8.3 ACCEPT AND FILE: THE YEAR TO DATE MONTHLY FINANCIAL REPORT AS OF SEPTEMBER 30, 2023**
Chuck Farmer, CFO
- 8.4 APPROVE: RECOMMENDED ACTION ON TORT CLAIMS**
Michael Tree, CEO/General Manager
- 8.5 APPROVE: CONSIDERATION OF REAPPOINTMENTS TO THE METRO ADVISORY COMMITTEE (MAC)**
Michael Tree, CEO/General Manager
- 8.6 APPROVE: REQUEST FOR RECLASSIFICATION RESULTS FOR FULL STACK DEVELOPER/SR. FULL STACK DEVELOPER POSITION IN THE INFORMATIONAL TECHNOLOGY DEPARTMENT**
Dawn Crummié, HR Director

8.7 APPROVE: REQUEST FOR RECLASSIFICATION RESULTS FOR PAYROLL SUPERVISOR POSITION IN THE FINANCE DEPARTMENT

Dawn Crummié, HR Director

8.8 APPROVE: REQUEST FOR RECLASSIFICATION RESULTS FOR PARTS AND MATERIALS MANAGER POSITION IN THE PARTS DEPARTMENT

Dawn Crummié, HR Director

8.9 APPROVE: REQUEST FOR AUTHORIZATION OF PAYROLL ADMINISTRATOR POSITION IN THE FINANCE DEPARTMENT

Dawn Crummié, HR Director

ACTION: MOTION TO APPROVE THE CONSENT AGENDA AS PRESENTED

MOTION: DIRECTOR LIND

SECOND: DIRECTOR ROTKIN

MOTION PASSED WITH 8 AYES (Directors Brown, Downing, Kalantari-Johnson, Koenig, Lind, McPherson, Newsome, and Rotkin). Directors Dutra, Pageler and Quiroz-Carter were absent.

REGULAR AGENDA

9 PRESENTATION OF EMPLOYEE LONGEVITY AWARDS: (10 YEARS) LEONEL RUIZ CHAVEZ

Board Chair Kalantari-Johnson thanked Mr. Chavez for his years of service at METRO.

10 RETIREE RESOLUTION OF APPRECIATION FOR: FRANCISCO ESTRADA

Board Chair Kalantari-Johnson thanked Mr. Estrada for his years of service at METRO.

ACTION: MOTION TO APPROVE THE RETIREE RESOLUTION OF APPRECIATION FOR FRANCISCO ESTRADA

MOTION: DIRECTOR ROTKIN

SECOND: DIRECTOR BROWN

MOTION PASSED WITH 8 AYES (Directors Brown, Downing, Kalantari-Johnson, Koenig, Lind, McPherson, Newsome, and Rotkin). Directors Dutra, Pageler and Quiroz-Carter were absent.

11 FY24 BUDGET AND 5 YEAR PLAN UPDATE AS OF OCTOBER 27, 2023

Chuck Farmer, CFO, spoke to his presentation and provided updates to METRO's base budget approved in June 2023. The key highlights centered on the rollout of Reimagine METRO and free ridership as well as their financial impacts. He reviewed the benefits and challenges of free fares for fixed route and paratransit. He also provided different scenarios on the deficit if a half cent sales tax ballot measure is or is not approved.

Discussion followed on:

- Consulting other transit districts on free fares to confirm METRO has considered all the challenges and benefits to avoid unintended consequences.
- "Why do transit riders get a free ride?" and having an answer to that question (e.g., getting cars off the roads, climate change, etc.).

- Struggles of other transit agencies who rely on fares to sustain their services versus the public support received in Santa Cruz County since 1978.
- Public support for a sales tax measure if the community understands the benefits of having a world class transit system.
- Affordable housing.
- Contribution from UCSC and how that is different from Cabrillo College's contract.
- California Coastal Commission's decision on building future rail/trail segments and how METRO can address that outcome.
- Reviewing timeline and assumptions made on continuing the free fares through 2034 if a sales tax measure is passed.
- What modifications would need to be made if a sales tax measure didn't pass as well as looking at other funding mechanisms that other agencies use.

Staff addressed all concerns and the Directors thanked CFO Farmer for his thorough presentation and providing a path to address environmental sustainability, equity and overall community wellbeing.

There were no public comments.

Hearing nothing further, Board Chair Kalantari-Johnson moved to the next agenda item.

12 PACIFIC STATION UPDATE AND METRO DOWNTOWN TRANSIT CENTER INTERIM OPERATIONS PLAN

John Urgo, Planning and Development Director, spoke to his presentation, providing an update on the redevelopment of Pacific Station and the relocation of the downtown operations during this construction period. The City of Santa Cruz, whom METRO is partnering with on this project, approved this plan on Tuesday, October 24, 2023 at its City Council meeting. Mr. Urgo reviewed the grant funding that has moved this project forward so that METRO and the City of Santa Cruz can break ground in February 2024.

Discussion continued on:

- Parking impacts from removing the on-street parking in the interim plan.
- Where bus connections would take place.
- Timeline of project.

Staff addressed all concerns.

Board Chair Kalantari-Johnson thanked Mr. Urgo for the update.

There were no public comments.

ACTION: MOTION TO APPROVE THE METRO DOWNTOWN TRANSIT CENTER INTERIM OPERATIONS PLAN

MOTION: DIRECTOR ROTKIN

SECOND: DIRECTOR KOENIG

MOTION PASSED WITH 8 AYES (Directors Brown, Downing, Kalantari-Johnson, Koenig, Lind, McPherson, Newsome, and Rotkin). Directors Dutra, Pageler and Quiroz-Carter were absent.

Hearing nothing further, Board Chair Kalantari-Johnson moved to the next agenda item.

13 FEDERAL LEGISLATIVE UPDATE

Chris Giglio, Capital Edge, spoke to his presentation and provided updates on the FY24 Department of Transportation (DOT) budget, Infrastructure Investment and Jobs Act (IIJA), and the makeup of the 118th Congress. He pointed out that Congress is having deficit reduction discussions which could affect the DOT budget.

Discussion followed on:

- Where the money is coming from for the hydrogen station development in California that was recently announced by the Biden Administration.
- How are the transportation formula monies affected if Congress doesn't pass a budget.
- Transportation Sales Tax Measure D (2016) and the effect it had on being awarded grant monies this past year as well as future funding.

Mr. Giglio addressed all concerns.

Several Directors thanked Mr. Giglio for his presentation and effectiveness in Washington, D.C.

There were no public comments.

Hearing nothing further, Board Chair Kalantari-Johnson moved to the next agenda item.

14. STATE LEGISLATIVE UPDATE

Michael Pimentel, Shaw, Yoder, Antwih, Schmelzer & Lange, spoke to his presentation highlighting a variety of big successes from a broader, statewide perspective. He pointed out the changes in legislative leadership--the ascension of Robert Rivas in the State Assembly and Mike McGuire in the State Senate. This is the first time in decades that non-urban legislators take the helm of their respective houses. This could provide an opportunity to look at more rural areas of the state to provide balance to what has long been the dominance of Los Angeles, San Francisco Bay Area, and San Diego. He touched on the Budget Act of FY2023-24 that included a variety of components--transit funding, statutory relief/accountability requirements, and infrastructure streamlining of proposals. He went into detail on the status of various bills: AB 102, SB 125, SB 862, SB 747, AB 463, AB 610, and ACA 1.

Discussion continued on:

- AB 463 – Public Transportation during Emergencies and why it was held by the Assembly Appropriations Committee.
- AB 610 – Youth Transit Pass Pilot Program and its prospects for passing in the second year of the legislative session; effect on established programs; financial incentives for establishing new programs; and the potential to offset some operational costs.
- Santa Cruz County being a self help county and how that could help with getting a larger share of the funds if a sales tax measure passes.

Mr. Pimentel addressed all concerns.

Directors recognized Mr. Pimentel's efforts in helping METRO achieve things at the state level.

There were no public comments.

Hearing nothing further, Board Chair Kalantari-Johnson moved to the next agenda item.

15 CEO ORAL REPORT

Michael Tree, CEO/General Manager, spoke to the following topics:

- Award of \$1.2 billion to the Alliance for Renewable Clean Hydrogen Energy Systems (ARCHES) and how that will help develop the hydrogen infrastructure and reduce the cost of fuel with the production of green hydrogen.
- Three articulated buses from the San Diego Metropolitan Transit System (MTS) have been put into service to ease overcrowding and pass-ups on the UCSC campus. Those buses are getting wrapped this weekend. Three additional articulated buses will be delivered today, and we are expecting three more buses in the coming weeks from MTS.
- Phase 2 of Reimagine METRO will require an additional twelve 40' buses. Riverside Transit Agency is willing to provide us with those buses, which are at their mid-point in life expectancy.
- Over the last week we've taken delivery of seven paratransit vans.
- Eduardo Montesino has been a fantastic ambassador in getting out and finding talent to bring into the agency.
- Ridership - fixed route is up 15% over last year; UCSC increased 30%; and Youth Cruz Free increased over 400%.
- AMBAG (Association of Monterey Bay Area Governments) will be asking their Board to consider its staff's recommendation to award \$2 million to the Watsonville housing project.
- Soquel and Highway 1 project will provide about 60 housing units in conjunction with the ParaCruz facility.

There were no public comments.

16. ANNOUNCEMENT OF NEXT MEETING

Board Chair Kalantari-Johnson announced the next regular Board Meeting will be held on Friday, November 17, 2023 at 9:00 AM at the Capitola City Council Chambers, 420 Capitola Avenue, Capitola.

17. ADJOURNMENT

Board Chair Kalantari-Johnson adjourned the meeting at 11:21 AM.

Respectfully submitted,

Donna Bauer
Executive Assistant