



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)
BOARD OF DIRECTORS MEETING MINUTES*
AUGUST 27, 2021– 9:00AM
MEETING HELD VIA TELECONFERENCE**

A regular meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District (METRO) convened on Friday, August 27, 2021, via teleconference.

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 CALL TO ORDER** at 9:04AM by Board Chair Lind.
- 2 ROLL CALL:** The following Directors were **present** via teleconference, representing a quorum:

Director Jimmy Dutra	City of Watsonville
Director Aurelio Gonzalez	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 Donna Meyers	City of Santa Cruz
Director Larry Pageler	County of Santa Cruz
Director Kristen Petersen	City of Capitola
Director Dan Rothwell	County of Santa Cruz
Director Mike Rotkin	County of Santa Cruz
Ex-Officio Director Dan Henderson	UC Santa Cruz
Ex-Officio Director Alta Northcutt	Cabrillo College

Additional METRO staff:
Alex Clifford
Julie Sherman

CEO/General Manager
General Counsel

- 3 ANNOUNCEMENTS**
Today’s meeting is being broadcast by Community Television of Santa Cruz County.
- 4 BOARD OF DIRECTORS COMMENTS**
Director Dutra invited his fellow board members to attend the electric bus ribbon cutting ceremony at the Watsonville Transit Center on September 7, 2021.

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

5 ORAL AND WRITTEN COMMUNICATIONS TO THE BOARD OF DIRECTORS

Mr. Saba, owner of METRO Market located at Pacific Station, provided a brief history of his business, noting the severe financial impact caused by COVID-19 and the resultant lobby closure in March 2020. On June 15, 2021, a second door at the station was opened to permit customer access, which increased his sales. Then, without any notice, METRO constructed a permanent obstruction to limit customer entry from the exterior only. To date, Mr. Saba believes he has acted in good faith and does not feel he has received a satisfactory response from METRO regarding additional access.

Expressing his personal opinion, Director Rotkin agreed there appears to be a hardship. However, public health is paramount and METRO's decision to close the lobby was the correct action. He understands METRO has offered shared expense options, including improved signage. Speaking as a board member, he does not think opening the lobby or creating a new public space and/or new pathway is a good idea.

Director McPherson agreed no action can be taken today. He would like to see METRO continue negotiations with Mr. Saba along the lines of those started already.

CEO Clifford referred the Board to the generous wayfinding and signage offers in his August 3, 2021 letter to Mr. Saba (attached).

Having nothing further, Chair Lind moved to the next agenda item.

6 LABOR ORGANIZATION COMMUNICATIONS

On behalf of the entire union, Brandon Freeman thanked Margo, Anna Marie and Curtis for the improved communications through a variety of COVID-related issues. The Operators have a concern regarding the egress and potential emergency situation with the one way in/one way out at Pacific Station. Behind the METRO Market there is an alleyway that could serve as an appropriate emergency shelter location. The hallway option would provide an additional exit.

Having nothing further, Chair Lind moved to the next agenda item.

7 METRO ADVISORY COMMITTEE (MAC) WRITTEN COMMUNICATION

Having none, Chair Lind moved to the next agenda item.

8 ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

CEO Clifford's August 3, 2021 letter to Mr. Saba is being included for the Board's easy reference.

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

CONSENT AGENDA

- 9.1 ACCEPT AND FILE: PRELIMINARY APPROVED CHECK JOURNAL DETAIL FOR THE MONTHS OF JUNE AND JULY 2021
- 9.2 ACCEPT AND FILE: MINUTES OF THE JUNE 25, 2021 BOARD OF DIRECTORS MEETING, AUGUST 13, 2021 FINANCE, BUDGET & AUDIT STANDING COMMITTEE MEETING & AUGUST 13, 2021 PERSONNEL/HR STANDING COMMITTEE MEETING
- 9.3 ACCEPT & FILE: YEAR TO DATE MONTHLY FINANCIAL REPORT AS OF JULY 31, 2021

- 9.4 APPROVE: FY22 RENEWAL OF PROPERTY INSURANCE COVERAGE WITH ZURICH AMERICAN INSURANCE COMPANY AND EMPLOYMENT PRACTICES LIABILITY COVERAGE WITH QBE SPECIALTY INSURANCE COMPANY
- 9.5 APPROVE: CONSIDER A RESOLUTION DESIGNATING THE CEO AS THE AUTHORIZED AGENT TO SUBMIT A PROJECT LIST AND EXECUTE AGREEMENTS TO RECEIVE CALIFORNIA STATE OF GOOD REPAIR FUNDS
- 9.6 APPROVE: CONSIDER ADOPTING A RECOMMENDATION TO SUPPORT ASSEMBLY BILL 418 (VALLADARES) AND TRANSMIT POSITION STATEMENTS TO ASSEMBLY MEMBER VALLADERES
- 9.7 APPROVE: CONSIDER ADOPTING A RESOLUTION THAT APPROVES A GRANT APPLICATION TO RECEIVE FUNDS FROM THE FEDERAL TRANSIT ADMINISTRATION (FTA) FY21 AREAS OF PERSISTENT POVERTY PROGRAM TO DEVELOP A MASTER PLAN FOR THE SOUTH COUNTY ZERO-EMISSIONS OPERATING AND MAINTENANCE FACILITY
- 9.8 APPROVE: CONSIDER A RESOLUTION DESIGNATING THE CEO AS THE AUTHORIZED AGENT TO EXECUTE ALL REQUIRED DOCUMENTS TO CLAIM FUNDS AWARDED THROUGH THE FY21-22 CALTRANS SUSTAINABLE TRANSPORTATION PLANNING GRANT PROGRAM
- 9.9 ACCEPT AND FILE: QUARTERLY STATUS REPORT OF GRANT APPLICATIONS, ACTIVE AND PENDING GRANTS FOR THE FOURTH QUARTER OF FY21
- 9.10 ACCEPT AND FILE: METRO PARACRUZ OPERATIONS STATUS REPORT FOR APRIL, MAY AND JUNE 2021
- 9.11 APPROVE: RECOMMENDED ACTION ON TORT CLAIMS
- 9.12 APPROVE: CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A 2ND CONTRACT AMENDMENT WITH ALLIED UNIVERSAL DBA FIRST ALARM SECURITY & PATROL, INC. TO INCREASE THE CONTRACT TOTAL FOR SECURITY GUARD SERVICES
- 9.13 APPROVE: METRO ADVISORY COMMITTEE (MAC) VACANCIES
- 9.14 APPROVE THE AMENDED MANAGEMENT COMPENSATION POLICY
- 9.15 APPROVE: CONSIDERATION OF RATIFICATION OF THE PURCHASE OF THREE NON-REVENUE VEHICLES
- 9.16 APPROVE: CONSIDERATION OF AUTHORIZING THE CEO/GM TO EXECUTE A LEASE AGREEMENT BETWEEN METRO AND SHUTTLE BUS LEASING FOR FOUR ARTICULATED BUSES FOR USE ON FIXED ROUTES SERVICING UCSC

There were no public comments.

ACTION: MOTION TO APPROVE THE CONSENT AGENDA AS PRESENTED

MOTION: DIRECTOR McPHERSON

SECOND: DIRECTOR ROTKIN

MOTION PASSED WITH 9 AYES (Directors Dutra, Kalantari-Johnson, Koenig, Lind, McPherson, Pageler, Petersen, Rothwell & Rotkin) Directors Gonzalez and Meyers were not present.

REGULAR AGENDA

10 PRESENTATION OF EMPLOYEE LONGEVITY AWARD: LES BECK (25 YEARS)

Chair Lind read a short bio, recognizing Mr. Beck in absentia.

There was no public comment.

11 RETIREE RESOLUTION OF APPRECIATION: JOHN OTTO

Director Rotkin read a short bio, recognizing Mr. Otto's contributions to METRO in absentia.

There was no public comment.

ACTION: MOTION TO APPROVE THE RETIREE RESOLUTION AS PRESENTED

MOTION: DIRECTOR ROTKIN

SECOND: DIRECTOR PAGELER

MOTION PASSED WITH 9 AYES (Directors Dutra, Kalantari-Johnson, Koenig, Lind, McPherson, Pageler, Petersen, Rothwell & Rotkin) Directors Gonzalez and Meyers were not present.

12 ACCEPT AND FILE: YEAR TO DATE KEY PERFORMANCE INDICATORS (KPI) REPORT FOR QUARTER FOUR AS OF JUNE 30, 2021

Kristina Mihaylova, Finance Deputy Director, spoke to the presentation with department heads addressing their specific areas of responsibility.

There was some discussion among the assembly regarding funding federal restrictions based on ridership or farebox revenue. CEO Clifford reassured the Board that METRO is not in any harm of adverse findings. And, in response to Director McPherson's inquiry, added it is difficult to compare agencies' farebox revenue levels due to fare program differences and ridership metrics.

There was no public comment.

13 APPROVE: CONSIDERATION OF AUTHORIZING AND FUNDING TWO PARTS & INVENTORY CLERK POSITIONS

Chuck Farmer, CFO, spoke to the staff report.

Public Comment:

Joan Jeffries, Purchasing Department employee, spoke of her experience with the short staffing and impact on the department in terms of inventory and time management.

ACTION: MOTION TO AUTHORIZE AND FUND TWO PARTS & INVENTORY CLERK POSITIONS AS PRESENTED

MOTION: DIRECTOR DUTRA

SECOND: DIRECTOR PAGELER

MOTION PASSED WITH 9 AYES (Directors Dutra, Kalantari-Johnson, Koenig, Lind, McPherson, Pageler, Petersen, Rothwell & Rotkin) Directors Gonzalez and Meyers were not present.

14 ACCEPT AND FILE: METRO RIDERSHIP REPORTS FOR THE FOURTH QUARTER OF FY21

John Urgo, Planning and Development Director, spoke to the agenda item. Discussion ensued among the assembly regarding UCSC and Cabrillo remote learning and anticipated ridership.

Director Henderson cautioned against predicting an outbreak. In the event of an outbreak, UCSC will react according to their vaccine protocol.

15 CEO ORAL REPORT / COVID-19 UPDATE

CEO Clifford welcomed the new hires and congratulated the promoted employees:

- Jaron West, Promoted to Sr. Database Administrator
- Virginia Vaquero, Promoted to Administrative Supervisor
- Sean Witt, Facilities Maintenance Worker II New Hire
- Katrina Gibbs, Dispatcher/Scheduler New Hire
- Norma Chavez Reyes, Paratransit Operator New Hire
- Veronica Hoover, Paratransit Operator New Hire
- Robert Foster, Bus Operator New Hire
- Terry Johnson, Bus Operator New Hire
- Duane Davis, Bus Operator New Hire

CEO Clifford went on to provide the following updates:

- COVID updates:
 - Two new cases tested positive in August; the test results of a third are pending.
- Agency vaccination rate is at 75%; majority of departments are at 80%. Four departments are below 85%.
- METRO is replicating Santa Cruz County protocol – all unvaccinated employees must be tested weekly. Onsite COVID testing continues. There is a meeting next week to potentially reduce the cost of onsite testing through individual insurance billing.
- Discussion among the assembly regarding communication, union engagement ensued.
- FTA public transit mask mandate will continue through January 2022.
- METRO is planning to hold in-person board and committee meetings in October 2021 unless Governor Brown extends the Brown Act abeyance, potentially to 2024. An announcement is anticipated September 14, 2021.
- There is a phone call today with Region 9 FTA personnel to discuss purchasing three ZEB Proterra buses using 2016 lo/no grant funding.
- The FTA is currently reviewing COVID drawdowns in the absence of the traditional Triennial three-year cycle. We do not anticipate any issues.
- A notice of default was sent to Syncromatics regarding their work with the AVL.
- Updates on various community events.
- In an effort to recruit more Bus Operators, METRO will initiate a sign-on bonus to be paid out incrementally.
- The Pacific Station grant application has been accepted. Two phases remain before the final award.
- John Urgo will provide Director Rotkin with a Route 18 map.
- Funding updates from the various federal and state legislative bodies.

CEO Clifford will provide a summary of his comments to Director Kalantari-Johnson as requested.

Public comments.

Brandon Freeman said the Union is cautiously optimistic of increased vaccination rates with Pfizer's recent full approval and he thanked METRO management for their decision to provide additional testing options for the unvaccinated. Mr. Freeman also assured Director Henderson that the authorized area on the buses (the "line") would move from the front of the wheel well to the back. Mr. Freeman also thanked Isaac Holly for his support through the Syncromatics journey. CEO Clifford and Mr. Holly both thanked Mr. Freeman for his tireless dedication and efforts.

Holly Alcorn, SEA Vice President, thanked the Board and METRO staff for approving the two new Parts and Inventory Clerk positions.

16 REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION

General Counsel Sherman announced the closed session item as below. She did not anticipate any reportable action out after the closed session.

There was no public comment.

17 ANNOUNCEMENT OF NEXT MEETING: SEPTEMBER 24, 2021

Chair Lind announced the next meeting on September 24, 2021 and reminded the assembly to check the SCMTD website for venue updates, as we remain dependent upon the public health orders in place at the time.

RECESS TO SECTION III: CLOSED SESSION AT 11:14AM

18 CONFERENCE WITH LABOR NEGOTIATOR PURSUANT TO GOVERNMENT CODE SECTION 54957.6

Agency Designated Representative: Alex Clifford, CEO/General Manager

Employee Organizations: SEIU, Local 521

SMART, Local 23 Fixed Route & ParaCruz Operation

RECONVENE TO PUBLIC SESSION AT 11:42AM

General Counsel Sherman announced there were no reportable actions taken in today's closed session.

19 ADJOURNMENT

Chair Lind adjourned the meeting at 11:43AM

Respectfully submitted,

Gina Pye
Executive Assistant

Attachment

*Santa Cruz Metropolitan
Transit District*



August 3, 2021

Ahmed Saba
Via email
RE: Metro Market – Lobby Closure

Dear Mr. Saba:

I am in receipt of your email to the METRO Board of Directors dated July 19, 2021. The purpose of this letter is to provide some background on pandemic related events that have impacted your business; refresh our recollection of METRO's assistance to its tenants; and to respond to the claims made by you in your email to the Board of Directors.

First, on behalf of METRO I want to thank you for being a loyal tenant at Pacific Station since you assumed the lease of the Metro Market space in December 2008. In recognition of this long-term relationship, METRO has strived to work with you as best as possible through the pandemic, which first hit in March 2020.

As you may recall, in response to state and county COVID-19 orders, METRO had to direct you to temporarily close your business effective 6:00pm on March 17, 2020. At some point thereafter METRO referred you to investigate possible state and federal assistance that might be available to assist small businesses in offsetting their loss of income resulting from the pandemic and nationwide business closures. In addition, METRO tried to do our part by charging you only a half-month rent for March 2020 and no rent for the months of April 2020 – September 2020. Additionally, METRO did not increase your rent (3.2 Periodic Cost-of-Living Adjustment) in June 2020 and in May of 2021, we negotiated a new five-year lease without increasing the Base Rent. METRO also offered you the opportunity to pay half your rent from August 2020 through December 2020, with the other half deferred into 2021. You declined this offer. I should also point out that when the pandemic hit you were also leasing separate space at the same facility for a business called Java Cruz. Following a brief attempt at reopening, on June 9, 2020 you notified METRO that you had decided "...to keep the coffee shop closed until things change." Later, you requested that METRO let you out of your lease, which was not scheduled to expire until September 2023. METRO agreed to allow you to terminate your lease early, effective August 7, 2020, and returned your deposit without any deductions or penalties for early cancellation.

As soon as businesses were allowed to partially reopen, METRO worked with you to find a solution that would provide public access to Metro Market given the continued and expected extended closure of the Transit Center lobby and restrooms. Following at least one unsuccessful attempt, METRO continued to work with you to come up with a solution that you accepted in late August 2020 in which you identified a "construction barrier" and you agreed to purchase and install this temporary barrier (fence) in the lobby at your expense. This solution allowed your customers to access your market from only the Pacific Avenue

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double doors, the same as today. According to one of your emails during this period, you accomplished this and you opened the market on September 14, 2020. As noted above, METRO did not restart your rent until October 2020.

METRO is not at this time planning to reopen the lobby to the public because the pandemic continues and is expected to continue into the indefinite future. The recent increase in COVID positives in our county and elsewhere serve to further support the need to be cautious in the reopening of our facilities. The most urgent need was the reopening of the restrooms, which have been closed since March 2020. The glass walls we installed help ensure that we can safely reopen the restrooms without inviting the opportunity for people to congregate. As you may be aware, METRO relocated the customer service ticket booth access from the lobby to an exterior window facing the bus lanes and we relocated the ticket vending machine from the lobby to the outside of the building. All of these safety precautions were intended to keep employees and customers safe by reducing the possibility of COVID transmission at the transit facility.

In your letter, you have asserted that "Metro Transit Section 5.2.6 Rules and Regulations/Common Area" provides you "...the non-exclusive right to...use the Common area...for pedestrian ingress, egress and access." In response, please allow me to point out that the lease does not include a requirement that METRO keep the Common Area open, especially when safety considerations require otherwise. If the Common Area were open, without question you would have the right to use it, as confirmed in section 5.2.6. However, the lobby is closed for safety reasons. This same section confirms the primary purpose of the premises is for transit services, and the primary duties of the landlord are to "operate transit services **safely**." In addition, the force majeure clause found in Section 20.1.4.1, expressly excuses any obligation that is made impossible or reasonably impracticable due to causes beyond the parties' control, such as a pandemic.

It is our greatest hope that the modifications we made to the facility that provided the opportunity for you to reopen will help you begin the journey towards business recovery, while at the same time protecting all who pass through this facility.

In closing, I was disappointed to hear that you rejected our offer to allow you to place a larger and more prominent sign on the entry overhead structure on Pacific Avenue. Further, you rejected our offer to provide you a display case near the bus lanes in which you could place a Metro Market sign and an arrow directing potential customers to the Pacific Avenue entrance. We also offered to have METRO's Marketing Director work with you to brainstorm Metro Market visibility ideas, including possible banners and a larger and more professional looking sandwich board. Again, you rejected this offer.

As we endeavor to do our part to help you succeed, these offers remain on the table. In addition, I would like to also offer that METRO is willing to consider sharing in the cost of the suggested new Pacific Avenue Metro Market signage. Further, I would like to offer to

Attachment

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reimburse you for receipted expenses related to your purchase of the "constructions barrier." Upon reflection, METRO should have paid for that barrier.

I hope you will reconsider these generous offers. I look forward to hearing from you soon.

Sincerely,

A handwritten signature in blue ink, appearing to read "Alex Clifford", written over a light blue horizontal line.

Alex Clifford, CEO
Santa Cruz Metropolitan Transit district

cc: METRO Board of Directors