



SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO) BOARD OF DIRECTORS MEETING MINUTES* JANUARY 26, 2024 – 9:00 AM

A regular meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District (METRO) convened on Friday, January 26, 2024, 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 9:13 AM by Board Chair Kalantari-Johnson.

2 SWEAR IN NEW DIRECTORS

CEO/General Manager Michael Tree swore in Ex-Officio Directors Alta Northcutt and Edward Reiskin.

3 ROLL CALL

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

Director Kristen Brown	City of Capitola
Director Rebecca Downing	County of Santa Cruz
Direct 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 Alta Northcutt	Cabrillo College
Ex-Officio Director Edward Reiskin	UC Santa Cruz
Michael Tree	CEO/General Manager
Julie Sherman	General Counsel

4 ANNOUNCEMENTS

Today’s meeting is being broadcast by Community Television of Santa Cruz County. Due to technical difficulties, CTV was unable to record the beginning of this meeting.

Susy Magana, Language Line Services, provided Spanish language interpretation services.

5 NOMINATE BOARD OFFICERS AND COMMITTEE ASSIGNMENTS

Board Chair Kalantari-Johnson introduced her 2024 slate of Officers, Standing Committee Members, Santa Cruz County Regional Transportation Commission (SCCRTC) Members, and Santa Cruz Civic Improvement Corporation (SCCIC) Members. She then welcomed additional input from other Board Members.

There were no public comments.

ACTION: MOTION TO APPROVE THE NOMINATION SLATE PUT FORTH FOR CONSIDERATION AT THE FEBRUARY 23, 2024 BOARD MEETING AND ALLOW ADDITIONAL SLATES TO BE CONSIDERED AT THAT MEETING

MOTION: DIRECTOR ROTKIN

SECOND: DIRECTOR PAGELER

MOTION PASSED WITH 9 AYES (Directors Brown, Downing, Kalantari-Johnson, Koenig, Lind, McPherson, Newsome, Pageler and Rotkin). Directors Dutra and Quiroz-Carter were absent.

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

6 BOARD OF DIRECTORS COMMENTS

Board Chair Kalantari-Johnson acknowledged CEO Tree's departure from METRO effective February 16, 2024. She and other Directors thanked CEO Tree for leading the organization in a positive direction and accomplishing so much in a short period of time. They wished him the best of luck in his future endeavors.

Director Rotkin commented that there have been a lot of UCSC students passed by in the last few weeks and requested an update. John Urgo, METRO's Planning and Development Director, said METRO is operating at slightly more capacity today than pre-COVID because of the addition of the articulated buses to the fleet. METRO is not dropping trips; we are fully staffed and as we roll into the Phase II changes, there will be even more service on campus. He suggested this may be due to the recent decrease in capacity at UCSC's Transportation and Parking Services.

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

7 ORAL AND WRITTEN COMMUNICATIONS TO THE BOARD OF DIRECTORS

Board Chair Kalantari-Johnson announced additional written communications were received and will be added to the agenda packet.

Bob Morgan, member of the public, expressed that he is enjoying the new routes and frequencies. He commended METRO's Bus Operators for being helpful to riders during this transition.

Matt Farrell, Friends of the Rail and Trail, thanked CEO Tree for meeting with members of the community and discussing transportation. Having accessible leadership is critical to working on transportation because it is a system and requires partnerships.

Elizabeth Madrigal, member of the public, spoke to her email regarding the service changes under Phase I of Reimagine METRO. Mr. Urgo addressed her concerns.

David Van Brink, member of the public, expressed appreciation for the route changes and 15-minute service. He thanked CEO Tree and said the changes have been substantial and visible to riders. He requested Route 17 stop in Scotts Valley on return trips from Diridon Station and to consider putting a bench and shelter at Diridon Station for riders. He was disappointed that the vendor ticketing machines were being retired but was appreciative of the real time tracking.

Nora, member of the public, thanked the CTV team for getting the zoom meeting up and running. She encouraged the Board to include members of the public as well as Bus Operators for the interview and search committee for the new CEO/General Manager.

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

8 LABOR ORGANIZATION COMMUNICATIONS

Brandon Freeman, SMART General Chairperson, Local 0023, thanked CEO Tree for the changes made at METRO and being accessible to the Bus Operators.

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

9 ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

Supporting documentation for Item 10.4, Exhibit 6 was sent to the Board of Directors on January 25, 2024 to review and will be added to the agenda packet.

CONSENT AGENDA

- 10.1 ACCEPT AND FILE: PRELIMINARY APPROVED CHECK JOURNAL DETAIL FOR THE MONTH OF DECEMBER 2023
Chuck Farmer, Chief Financial Officer
- 10.2 ACCEPT AND FILE MINUTES OF:
 - A. OCTOBER 18, 2023 METRO ADVISORY COMMITTEE MEETING
 - B. DECEMBER 15, 2023 BOARD OF DIRECTORS REGULAR MEETINGMichael Tree, CEO/General Manager
- 10.3 ACCEPT AND FILE: THE YEAR TO DATE MONTHLY FINANCIAL REPORT AS OF DECEMBER 31, 2023
Chuck Farmer, Chief Financial Officer
- 10.4 RESOLUTION APPROVING ACTIONS REGARDING THE PACIFIC STATION NORTH PROJECT
Chuck Farmer, Chief Financial Officer, and Julie Sherman, General Counsel
- 10.5 ACCEPT AND FILE: ACCEPTANCE OF AUDITED FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED JUNE 30, 2023
Chuck Farmer, Chief Financial Officer
- 10.6 ACCEPT AND FILE: THE SEMI-ANNUAL REPORT ON THE STATUS OF METRO'S DISADVANTAGED BUSINESS ENTERPRISE PROGRAM
Chuck Farmer, Chief Financial Officer

- 10.7 APPROVE: RECOMMENDED ACTION ON TORT CLAIMS
Michael Tree, CEO/General Manager
- 10.8 APPROVE: CONSIDERATION OF DESIGNATING THE CHIEF FINANCIAL OFFICER TO THE CALIFORNIA TRANSIT INDEMNITY POOL (CALTIP) BOARD OF DIRECTORS
Michael Tree, CEO/General Manager
- 10.9 APPROVE: CONSIDERATION OF ADOPTING A RESOLUTION APPROVING THE FY24 REVISED CAPITAL BUDGET/PORTFOLIO
Kristina Mihaylova, Deputy Finance Director
- 10.10 APPROVE: CONSIDERATION OF AUTHORIZING THE CEO/GENERAL MANAGER TO EXECUTE A 4TH CONTRACT AMENDMENT WITH CLEVER DEVICES LTD. TO INCREASE THE CONTRACT TOTAL BY \$402,750 FOR ITS AND APC RETROFIT OF 15 BUSES
Margo Ross, Chief Operations Officer
- 10.11 APPROVE: REQUEST TO ENDORSE SANTA CRUZ COUNTY MEASURE K AND CITY OF SANTA CRUZ MEASURE L
Board Chair Kalantari-Johnson

There were no public comments.

ACTION: MOTION TO APPROVE THE CONSENT AGENDA AS PRESENTED

MOTION: DIRECTOR PAGELER

SECOND: DIRECTOR ROTKIN

MOTION PASSED WITH 9 AYES (Directors Brown, Downing, Kalantari-Johnson, Koenig, Lind, McPherson, Newsome, Pageler, and Rotkin). Directors Dutra and Quiroz-Carter were absent.

REGULAR AGENDA

- 11 PRESENTATION OF EMPLOYEE LONGEVITY AWARDS:**
10 YEARS: JEREMY LOVENFOSSE
15 YEARS: ERIK BERG
20 YEARS: CAROLYN BOWERS, GUSTAVO CORTES, AND BONNIE FARRIS
Board Chair Kalantari-Johnson thanked and presented a certificate to Bonnie Farris who was in attendance and thanked all the employees for their service to METRO.
- 12 RETIREE RESOLUTION OF APPRECIATION FOR:**
ANNA MARIE GOUVEIA – OPERATIONS MANAGER: FIXED ROUTE;
MICHAEL PENO – PARATRANSIT OPERATOR; AND
DAVID VALDEZ – LEAD VEHICLE SERVICE WORKER
Board Chair Kalantari-Johnson presented a certificate to Anna Marie Gouveia who was present and congratulated all three retirees on their retirement and thanked them for their years of service at METRO.

Ms. Gouveia thanked the Board of Directors for the acknowledgement. She mentioned that METRO has gone through major changes before, and it impacts not only the Bus Operators but other departments and requires a team effort. She suggested the Board recognize those departments as well.

ACTION: MOTION TO APPROVE THE RETIREE RESOLUTIONS OF APPRECIATION FOR ANNA MARIE GOUVEIA, MICHAEL PENO, AND DAVID VALDEZ

MOTION: DIRECTOR PAGELER

SECOND: DIRECTOR NEWSOME

MOTION PASSED WITH 9 AYES (Directors Brown, Downing, Kalantari-Johnson, Koenig, Lind, McPherson, Newsome, Pageler, and Rotkin). Directors Dutra and Quiroz-Carter were absent.

13 APPROVE: CONSIDER A RESOLUTION CALLING A PUBLIC HEARING ON FRIDAY, MARCH 22, 2024, DURING THE 9:00 AM REGULAR METRO BOARD MEETING AT THE ADMIN OFFICES, 110 VERNON STREET, SANTA CRUZ, CA REGARDING THE PHASE II REIMAGINE METRO SERVICE PROPOSALS

John Urgo, Planning and Development Director, spoke to the item and mentioned that he will return to the Board in February with a presentation on the Phase II Reimagine METRO service proposals and again in March to ask for the Board's approval. He provided an overview of the changes to be implemented and requested the Board to approve the resolution calling for a public hearing on Friday, March 22, 2024 for Phase II Reimagine METRO service proposals.

Director Rotkin asked when free service to all riders, not just youth, will be implemented? Mr. Urgo responded that METRO plans to implement that in September 2024.

Vice Chair Brown remarked that when the state budget was released, it was announced that there will be \$5 billion in funding delays and asked how that will affect METRO's funding? Mr. Urgo responded that the Transit and Intercity Rail Capital Program (TIRCP) funding has been preserved but will be parceled out over three years.

ACTION: MOTION TO APPROVE THE RESOLUTION CALLING A PUBLIC HEARING ON FRIDAY, MARCH 22, 2024, DURING THE 9:00 AM REGULAR METRO BOARD MEETING AT THE ADMIN OFFICES, 110 VERNON STREET, SANTA CRUZ, CA REGARDING THE PHASE II REIMAGINE METRO SERVICE PROPOSALS

MOTION: DIRECTOR ROTKIN

SECOND: DIRECTOR KOENIG

MOTION PASSED WITH 9 AYES (Directors Brown, Downing, Kalantari-Johnson, Koenig, Lind, McPherson, Newsome, Pageler, and Rotkin). Directors Dutra and Quiroz-Carter were absent.

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

14 CEO ORAL REPORT

Michael Tree, CEO/General Manager, expressed appreciation for the previous comments made by the Board, staff and public.

He spoke to the following items:

- One Ride at a Time – To date, almost \$250K has been raised for that program in less than a year.
- METRO Transit Center – moving to Front Street mid-February. Staff has been working with the City of Santa Cruz and the Downtown Association to make this

a smooth transition. We are upgrading how Customer Service interacts with riders. We want the experience to be engaging and face-to-face.

- Housing Developers – are showing interest in the WAVE service and the Phase III concepts for housing.
- Bus On Shoulder – METRO has been working on the auxiliary lane for bus on shoulder with SCCRTC, Caltrans, and the California Highway Patrol. He thanked Director Koenig for his efforts and support in moving this project forward.
- Introduced two new employees--Derek Toups, Capital Planning and Grants Program Manager, and Gregory Strecker, Safety, Security and Risk Management Director. Each provided a brief background on their experience, and they look forward to working with everyone.
- Announced appointment of Daniel Zaragoza, Operations Deputy Director, and recent promotions of Rina Solorio, ParaCruz Assistant Operations Manager, and Michael Bois, Customer Experience Manager.

He thanked the past and current Board Chairs for welcoming him to METRO and providing guidance. He also thanked SMART and SEIU representatives for working with him; Dawn Crummié, Human Resources Director, and Eduardo Montesino, temporary Recruitment & Training Coordinator, for their recruiting efforts; Danielle Glagola, Marketing Director, for thinking outside the box on projects, and Donna Bauer, Executive Assistant, for her support.

There were no public comments.

RECESSED TO CLOSED SESSION AT 10:46 AM

- 15 PUBLIC EMPLOYEE APPOINTMENTS (GOVERNMENT CODE SECTION 54957); CEO/GM POSITION AND INTERIM CEO/GM POSITION**

RECONVENED TO OPEN SESSION AT 11:37 AM

- 16 REPORT OF CLOSED SESSION**

Board Chair Kalantari-Johnson reported out that the Interim CEO/General Manager will be Daniel Zaragoza.

Mr. Zaragoza addressed the Board and thanked everyone for the opportunity and assured them that he will continue moving the agency's goals forward.

- 17 ANNOUNCEMENT OF NEXT MEETING**

Board Chair Kalantari-Johnson announced that the next meeting will be on Friday, February 23, 2024, at 9:00 AM at the METRO Admin Office, 110 Vernon Street, Santa Cruz, CA.

- 18 ADJOURNMENT**

Board Chair Kalantari-Johnson adjourned the meeting at 11:40 AM.

Respectfully submitted,

Donna Bauer
Executive Assistant