



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)  
BOARD OF DIRECTORS MEETING MINUTES\*  
MAY 20, 2022 – 9:00 AM  
MEETING HELD VIA TELECONFERENCE**

A regular meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District (METRO) convened on Friday, May 20, 2022, via teleconference.

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 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 Pageler.

**2 ROLL CALL:** The following Directors were **present** via teleconference, 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>Direct Jimmy Dutra</b>	<b>City of Watsonville</b>
Director Shebreh Kalantari-Johnson	City of Santa Cruz
Director Manu Koenig	County of Santa Cruz
<b>Director Donna Lind</b>	<b>City of Scotts Valley</b>
<b>Director Bruce McPherson AR 9:02</b>	<b>County of Santa Cruz</b>
Director Donna Meyers	City of Santa Cruz
<b>Director Larry Pageler</b>	<b>County of Santa Cruz</b>
<b>Director Ari Parker</b>	<b>City of Watsonville</b>
<b>Director Mike Rotkin AR 9:02</b>	<b>County of Santa Cruz</b>
<b>Ex-Officio Director Dan Henderson</b>	<b>UC Santa Cruz</b>
<b>Ex-Officio Director Alta Northcutt AR 9:03</b>	<b>Cabrillo College</b>
Michael Tree	CEO/General Manager
Julie Sherman	General Counsel

**3 ANNOUNCEMENTS**

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

**4 BOARD OF DIRECTORS COMMENTS**

Director Downing reminded the Board of Directors of a letter and petition received in February 2022 from the La Selva Beach Improvement Association asking for the

return of transit service to their community. Second District Supervisor Zach Friend and John Urgo, Planning and Development Director at METRO, hosted a zoom meeting to discuss the situation with the La Selva Beach residents. Mr. Urgo described the challenges METRO is currently facing with staff shortages of Bus Operators and that the service could be reviewed again once the staffing levels improve. Director Downing requested METRO establish threshold criteria for returning services to La Selva Beach, as well as other communities, that are underserved by transit.

She also thanked Michael Tree, CEO/General Manager, for sharing his previous work experiences and felt some of his ideas could be implemented at METRO.

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

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

Chair Pageler announced there were two additional communications received after the agenda was posted and they will be uploaded to the online agenda.

Tate Baugh, member of the public, thanked the Board for allowing Route 17 to operate every day, including holidays, from Santa Cruz to San Jose. He expressed concern about the staff shortages and will continue to encourage people he knows to apply at METRO to fill these openings.

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

**6 LABOR ORGANIZATION COMMUNICATIONS**

Brandon Freeman, Vice Chair for SMART, Local 0023, expressed gratitude to CEO Tree for spending time with him and stopping by Operations to introduce himself to the Bus Operators. He feels CEO Tree is focused on recruitment and retention, has a firm understanding of what daily life is like as a Bus Operator, and has a genuine interest in improving our daily work lives. Morale has already begun to improve. Mr. Freeman thanked everyone involved in the recruitment process and for listening to the union's concerns and choosing someone who has fresh ideas and a willingness to work with us.

He thanked Dawn Crummié for the work she has done and for meeting to discuss some changes and new promotional materials to help with the recruitment process.

Lastly, he expressed concern about the quality of the new Proterra buses. While they have the range METRO wants and are fairly quick, there are safety and reliability issues to address (e.g., screws failing on hand stanchions during normal operation and buses in the yard being unresponsive where access cannot be gained) not only for our Bus Operators but for our riders.

Jordan Vascones, SEA Chapter President, commented that working with CEO Tree so far has been great and appreciates his positive attitude and willingness to meet and make changes to improve morale. He gave credit to the Board for hiring him.

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

**7 WRITTEN COMMUNICATIONS FROM THE METRO ADVISORY COMMITTEE**

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

- 8 ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS**  
Having none, Chair Pageler moved to the next agenda item.

### **CONSENT AGENDA**

- 9.1 ACCEPT AND FILE: PRELIMINARY APPROVED CHECK JOURNAL DETAIL FOR THE MONTH OF APRIL 2022  
Chuck Farmer, CFO
- 9.2 ACCEPT AND FILE MINUTES OF:  
A. APRIL 20, 2022 METRO ADVISORY COMMITTEE MEETING  
B. APRIL 22, 2022 BOARD OF DIRECTORS MEETING  
Michael Tree, CEO/General Manager
- 9.3 ACCEPT AND FILE THE YEAR-TO-DATE MONTHLY FINANCIAL REPORT AS OF MARCH 31, 2022  
Chuck Farmer, CFO
- 9.4 ACCEPT AND FILE: THE YEAR TO DATE KEY PERFORMANCE INDICATORS (KPI) REPORT FOR THIRD QUARTER AS OF MARCH 31, 2022  
Chuck Farmer, CFO
- 9.5 APPROVE: RECOMMENDED ACTION ON TORT CLAIMS  
Curtis Moses, Safety, Security & Risk Management Director
- 9.6 APPROVE: CONSIDER A RESOLUTION AUTHORIZING THE CEO TO SUBMIT APPLICATIONS AND EXECUTE AGREEMENTS FOR GRANTS FROM THE FEDERAL TRANSIT ADMINISTRATION AND FROM THE CALIFORNIA DEPARTMENT OF TRANSPORTATION  
Wondimu Mengistu, Grants and Legislative Analyst
- 9.7 APPROVE: CONSIDERATION OF A RESOLUTION MAKING CERTAIN FINDINGS AND DIRECTING THAT THE BOARD AND ITS COMMITTEE MEETINGS WILL CONTINUE TO BE HELD VIA TELECONFERENCE  
Michael Tree, CEO/General Manager
- 9.8 APPROVE: CONSIDERATION OF DESIGNATING THE CEO/GENERAL MANAGER TO THE CALIFORNIA TRANSIT INDEMNITY POOL (CALTIP) BOARD OF DIRECTORS  
Michael Tree, CEO/General Manager
- 9.9 ACCEPT AND FILE: QUARTERLY STATUS REPORT OF GRANT APPLICATIONS, ACTIVE AND PENDING GRANTS FOR THE THIRD QUARTER OF FY22  
Wondimu Mengistu, Grants and Legislative Analyst
- 9.10 ACCEPT AND FILE: THE METRO PARACRUZ OPERATIOINS STATUS REPORT FOR JANUARY, FEBRUARY AND MARCH 2022  
Daniel Zaragoza, Operations Manager, Paratransit Division
- 9.11 ACCEPT AND FILE: THE METRO SYSTEM RIDERSHIP REPORTS FOR THE THIRD QUARTER OF FY22  
John Urgo, Planning and Development Director

- 9.12 APPROVE: CONSIDERATION OF DECLARING VEHICLES AND/OR EQUIPMENT AS EXCESS FOR PURPOSES OF DISPOSAL OR AUCTION  
Chuck Farmer, CFO
- 9.13 AUTHORIZING THE CEO/GM TO ACCEPT ALL DEEDS AND GRANTS CONVEYING ANY INTEREST IN REAL PROPERTY TO THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT AND TO CONSENT TO THE RECORDATION OF SAME  
Pete Rasmussen, Transportation Planner II
- 9.14 CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A 5<sup>TH</sup> CONTRACT AMENDMENT WITH SWIFT CONSULTING SERVICES TO INCREASE THE CONTRACT TOTAL BY \$16,720 FOR PROJECT MANAGEMENT TO FINALIZE THE CONSTRUCTION DOCUMENTS AND PROVIDE SUPPORT TO OBTAIN THE REQUIRED BUILDING PERMIT FROM THE CITY FOR THE NEW PARACRUZ FACILITY  
Daniel Zaragoza, Operations Manager, Paratransit Division

There were no public comments.

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

**MOTION: DIRECTOR ROTKIN**

**SECOND: DIRECTOR LIND**

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

**REGULAR AGENDA**

- 10 **PRESENTATION OF EMPLOYEE 10 YEAR LONGEVITY AWARD: DELEE BRUBECK**  
Larry Pageler, Board Chair, read Ms. Brubeck's bio and thanked her for her service at METRO.  
There were no public comments.
- 11 **APPROVAL OF FORMAL RATIFICATION OF A LABOR AGREEMENT EXTENSION BETWEEN SMART UNION LOCAL 0023 FIXED ROUTE FOR THE PERIOD JULY 1, 2022 THROUGH JUNE 30, 2023 THAT CONTAINS A 3.5% CONTRACTUAL WAGE ADJUSTMENT AND \$1500 LUMP SUM PAYMENT**  
Dawn Crummié, HR Director, spoke to Items 11, 12 and 13. METRO was scheduled to negotiate all three labor contracts in June 2022. With a new CEO coming on board, staff decided to work with the unions to negotiate a percentage to rollover the contract for one year. The unions agreed and staff is asking the Board to approve a wage increase of 3.5% with a one-time payout of \$1,500 for each employee.  
There were no public comments.



there is ongoing maintenance that needs to be paid for by stakeholders owning land in the flood zone. METRO owns two parcels in the flood zone. PRFMA is asking METRO to vote on an annual assessment for this maintenance. Staff is recommending the Board give approval to CEO Tree to vote in an affirmative manner.

Director McPherson said that Second District Supervisor Zach Friend and Fourth District Supervisor Greg Caput have worked diligently on this much needed improvement and strongly urged supporting this recommendation.

Director Parker added that this project not only protects the City of Watsonville but the township of Pajaro and all of the agricultural land surrounding the Pajaro flood plain. Our state and federal representatives have secured funding for this project to be completed; all we have to do is maintain it and that can be accomplished with the annual assessment.

Director Dutra expressed gratitude to Congressman Panetta who helped secure funding on this project. The levee is along one of the most vulnerable parts of our community and it's important that we protect them and make sure they feel safe. I definitely support this and am hopeful that the rest of the voters will support it as well.

Director Rotkin added that the Pajaro River is a beautiful recreational asset to the community and expressed support for the recommendation.

There were no public comments.

**ACTION: APPROVE AFFIRMATIVE VOTE ON BALLOTS FOR TWO PARCELS OF SANTA CRUZ METROPOLITAN TRANSIT DISTRICT AND PUBLICIZE THE DISTRICT'S POSITION**

**MOTION: DIRECTOR DUTRA**

**SECOND: DIRECTOR PARKER**

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

**15 APPROVE: CONSIDERATION OF SANTA CRUZ METRO'S DRAFT FY23 AND FY24 OPERATING BUDGETS, FY23 CAPITAL BUDGET, AND A RESOLUTION SETTING A PUBLIC HEARING ON JUNE 24, 2022**

Chuck Farmer, CFO, spoke to the presentation and asked the Board to set the public hearing at the next Board meeting on June 24, 2022 for the final adoption of the FY23 and FY24 operating budgets and FY23 capital budget.

Director Rotkin requested clarification on the labor figures. He asked if METRO is assuming that all of the Bus Operator positions are filled in the proposed budget even though those positions are down and METRO will have more overtime in the interim? CFO Farmer confirmed that Labor and Fringe Benefits will go down but the overtime will go up until those positions are filled.

Director Rotkin asked for a brief explanation for the public's benefit on the ERP System costing \$2 million. CFO Farmer responded that ERP refers to Enterprise Resource Planning and is a replacement of our current accounting, finance,

procurement, human resources, and payroll systems. Our current systems are antiquated and can't communicate with each other. We need an upgrade to improve the functionality between our departments. Mr. Holly, IT and ITS Director, added that the ERP System will provide better reporting capabilities.

Director Rotkin inquired about workers' compensation claims and whether steps are being taken to reduce injuries. Ms. Crummié responded that when we see repetitive injuries happening in the same department or same group of people, we get Curtis Moses, Safety, Security and Risk Management Director, involved. He assesses the situation and makes suggestions for improvements. Getting Mr. Moses involved in the beginning has tremendously helped our claims go down. Mr. Moses added that the agency has had professional contractors come out and do ergonomic and environmental evaluations to avoid future claims to the agency.

Director Downing asked about the incentives for the employees and if that includes employee referral bonuses. CFO Farmer said that it does not at this time since that program is still being developed.

Director Lind thanked CFO Farmer and team for their outstanding work on the budget. She also was grateful for the research and quick action on the bonds to take care of the unfunded pension liability and saving METRO millions of dollars.

Director McPherson agreed and asked about the reserve accounts. CFO Farmer said METRO's good for now and that information will be presented at the next Board meeting

There were no public comments.

**ACTION: APPROVE SANTA CRUZ METRO'S DRAFT FY23 AND FY24 OPERATING BUDGETS, FY23 CAPITAL BUDGET, AND A RESOLUTION SETTING A PUBLIC HEARING ON JUNE 24, 2022**

**MOTION: DIRECTOR ROTKIN**

**SECOND: DIRECTOR MCPHERSON**

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

**16 CONSIDERATION OF APPROVING THE AUTHORIZATION AND FUNDING OF A CAPITAL PLANNING AND GRANTS PROGRAMS MANAGER**

Dawn Crummié, HR Director, said this would be a reclassification of our current Grants and Legislative Analyst position held by Wondimu Mengistu. A reclassification study was done and a new job description was written that better describes Mr. Mengistu's duties. The union and Mr. Mengistu are in agreement with it. Staff is requesting the Board to allow us to proceed with the reclassification of this position. We would move the funding from the current position to the new position. There would be an increase in that move but we are only reclassifying and not creating a new position. Director Rotkin added that Mr. Mengistu has done a wonderful job for METRO in securing grants. Not only has the job changed but we have someone doing the job well for the agency.

There were no public comments.

**ACTION: APPROVE THE AUTHORIZATION AND FUNDING OF A CAPITAL PLANNING AND GRANTS PROGRAMS MANAGER**

**MOTION: DIRECTOR ROTKIN**

**SECOND: DIRECTOR LIND**

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

**17 CEO ORAL REPORT / COVID-19 UPDATE**

Michael Tree, CEO/General Manager, expressed that he's excited to be on board at METRO and his initial impressions have been positive. He has had the opportunity to meet with several Board Members, Senator Laird, Congressman Panetta, Guy Preston, and Capitola city representatives.

He gave a brief overview of Governor Newsom's proposed relief package:

- \$2 billion in relief for free public transportation for three months. This is evolving into a grants program where transit and rail agencies can apply for those funds.
- AB1919 is proposed legislation to provide riders 25 and younger to ride free. That bill recently had major amendments added to it where it is turning into a grants program and would not obligate transit agencies to participate.

COVID update:

- Operations is exiting out of their minor outbreak period today.

Recruitment:

- A snapshot of the last 12 months shows that for every one Bus Operator hired and retained, three have left the agency. We are concerned about fatigue and burnout with current staffing levels.

He recommended a strategic workshop for Board Members and staff to discuss the impacts of several capital projects (e.g., battery versus hydrogen fleet, South County Maintenance Facility, and the ParaCruz Facility) to the budget.

Director Rotkin asked staff, should we have to provide free-fare service, to consider putting into place procedures on how to handle people who are not looking for a transit destination but a place to spend the day inside a bus. CEO Tree responded that staff is already working on this and he will report back to the Board.

Director Rotkin asked CEO Tree to share his plans on the operator shortage. CEO Tree said a multi-prong approach is needed. We've been talking about changing the introductory wage, marketing materials, a referral bonus that is substantial to get the operators and others motivated to go out and talk to like-minded people who would be a great referral to the agency. I want METRO to be known as a choice employer in Santa Cruz County.

Director Lind mentioned that the City of Scotts Valley had success in recruiting when their referral bonus program was implemented. She recently attended the City Leaders Summit in Sacramento and met with Senator Laird and other

representatives. She used that time to bring up assembly and senate bills that would impact METRO and how that would affect programs we have in place with UCSC and Cabrillo College.

Ex-Officio Director Henderson asked if it is possible to provide an archive of digital Headways on the website for reference.

**18 ANNOUNCEMENT OF NEXT MEETING**

Larry Pageler, Board Chair, announced the next Board of Directors Meeting will be held on Friday, June 24, 2022, at 9:00 AM via teleconference.

**RECESSED TO CLOSED SESSION AT 10:28 AM**

**19 CONFERENCE WITH LABOR NEGOTIATOR PURSUANT TO GOVERNMENT CODE SECTION 54957.6**

**RECONVENED TO OPEN SESSION AT 11:03 AM**

**20 REPORT OF CLOSED SESSION ITEM**

Julie Sherman, General Counsel, said there was no reportable action taken.

**21 ADJOURNMENT**

Larry Pageler, Board Chair, adjourned the meeting at 11:04 AM.

Respectfully submitted,

Donna Bauer  
Executive Assistant