

A Note from the CEO

METRO Bus Funding at Risk if Proposition 6 Passes in November

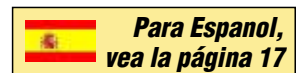
Proposition 6, a ballot measure to repeal Senate Bill #1 (**SB-1**, the Road Repair and Recovery Act of 2017), is on the November 6, 2018 ballot.

SB-1, passed by the **California Legislature** in 2017, included increases in the state fuel taxes and vehicle fees, which in turn raises \$5 Billion annually statewide, including \$1 Billion for public transit. **SB-1** prioritizes funding towards maintenance and rehabilitation and safety improvements on state highways, local streets and roads, and bridges and to improve the state's trade corridors, transit, and active transportation facilities.



Alex Clifford,
CEO of Santa Cruz METRO

At least \$2.5 million annually is at risk for Santa Cruz **METRO**, funds which would help **METRO** replace the aging buses and ParaCruz vehicles in our fleet. Without **SB-1** funding **METRO** will have to live with these obsolete vehicles into the foreseeable future. If **SB-1** survives the repeal effort in November **METRO** will be able to continue to dedicate and leverage its **SB-1** resources to meet the required local funding matches when competing for state and federal grants to purchase new vehicles.



In the last year **METRO** has begun to rebuild its obsolete bus and **ParaCruz** fleets with the assistance of approximately \$2.5 Million in funding from **SB-1**. On May 31, 2018 **METRO** celebrated the arrival of several new vehicles that were funded by **Measure D** and **SB-1**.

At its August 24, 2018 meeting the **METRO Board** will have considered adopting a resolution opposing **Proposition 6**.

METRO's Obsolete Fleet

Approximately 60 of **METRO's** 100 buses are beyond their standard life span of 12 years and have mileage well in excess of the industry standard of 500,000 miles. Your **METRO** mechanics are great, best in the business, and they do an exceptional job of keeping old buses running; but these 60 buses are simply tired and ready to be retired. Working with obsolete buses leads to increased maintenance costs and additional vehicle breakdowns. Recent vehicle purchases include 3 full-sized 40-foot Compressed Natural Gas (CNG) fixed-route buses acquired through a lease-to-buy program. These buses will replace three 20-year old diesel buses which have over 725,000 miles on the road.

ParaCruz has a fleet of 35 vehicles. Until recently 33 of them were obsolete. **SB-1** funds were used to help acquire 15 new **ParaCruz** vehicles, leaving 18 more which are still obsolete and in need of replacement. The 15 new **ParaCruz** vehicles, include 12 standard vans and three larger vehicles which can carry additional passengers/wheelchairs.

In the coming years, the **METRO** strategy is to continue to use **SB-1** funding to execute its bus replacement plan and to implement the impending **California Air Resources Board (CARB)** mandate to have a completely zero-emission (electric) bus fleet by 2040.

Other METRO Efforts to Replace Obsolete Fleet

Measure D, the local transportation sales tax, also provides **METRO** approximately \$3 million annually which is used to maintain operations and help fund capital needs including buses and **ParaCruz** vehicles.

In the face of these challenges, the **METRO Grants Department** has worked hard, applying for grants that will fund bus and **ParaCruz** vehicle purchases, In the five years since 2014 these efforts have resulted in the acquisition of 15 **ParaCruz** vehicles and 16 buses, 7 of which will be zero-emission electric buses.

Coming Soon: Improved Highway 17 Express Fare Payment Option

On a more positive note, in the near future, **Highway 17 Express** riders will be able to purchase single-ride tickets at **METRO** Ticket Vending Machines (**TVMs**) and at the **METRO Customer Service booths** at **Pacific Station** in downtown Santa Cruz and at the **Watsonville Transit Center**. Details to follow as available.