



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)
BOARD OF DIRECTORS MEETING MINUTES*
NOVEMBER 19, 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, November 19, 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 Board meeting open sessions are available to the public upon request.

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- 1 CALL TO ORDER** at 9:02 AM by Board Chair Lind.
- 2 ROLL CALL:** The following Directors were **present** via teleconference, representing a quorum:

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 Donna Meyers	City of Santa Cruz
Director Alta Northcutt	City of Watsonville
Director Larry Pageler	County of Santa Cruz
Director Kristen Petersen	City of Capitola
Director - Vacant	County of Santa Cruz
Director Mike Rotkin	County of Santa Cruz
Ex-Officio Director Dan Henderson	UC Santa Cruz
Ex-Officio Director - Vacant	Cabrillo College
Additional METRO staff:	
Alex Clifford	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**
Hearing none, Chair Lind moved to the next agenda item.
- 5 ORAL AND WRITTEN COMMUNICATIONS TO THE BOARD OF DIRECTORS**
Brian Peoples, Trail Now, expressed that his organization supports Santa Cruz METRO and encourages METRO to have a selection criterion for the Board members who sit on the Santa

Cruz County Regional Transportation Commission (SCCRTC) to represent METRO's best interests.

David, member of the public, complimented METRO on the creation of the new Route 18. He hopes this frequent, efficient service will bring new riders to METRO.

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

6 LABOR ORGANIZATION COMMUNICATIONS

Jordan Vascones, SEA President, provided the following comments: 1) he likes the topics addressed in the recent strategic plan workshops; 2) he opposes the upcoming vaccine mandate; and 3) he's sad to see Gina Pye's departure and would like to see improvement on employee retention and internal culture. He is excited to work with management and the Board to implement these items.

Brandon Freeman, Bus Operator, had two labor communications from SMART: 1) he reiterated how great it was to join the workshop on Friday, November 12, 2021; and 2) commented on Consent Agenda Item 9.9 that SMART and Operations fully support the move from GMV Syncromatics to Clever Devices.

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

7 METRO ADVISORY COMMITTEE (MAC) WRITTEN COMMUNICATION

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

8 ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

The staff report for Consent Agenda Item 9.9 was distributed to the Board of Directors for review on Thursday, November 18, 2021, and will be added to the online agenda.

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 MONTH OF OCTOBER 2021
- 9.2 ACCEPT AND FILE: MINUTES OF THE OCTOBER 20, 2021 METRO ADVISORY COMMITTEE (MAC), THE OCTOBER 22, 2021 METRO BOARD OF DIRECTORS MEETING AND THE NOVEMBER 12, 2021 SPECIAL BOARD OF DIRECTORS MEETING
- 9.3 ACCEPT AND FILE: THE YEAR-TO-DATE MONTHLY FINANCIAL REPORT AS OF OCTOBER 31, 2021
- 9.4 APPROVE: RECOMMENDED ACTION ON TORT CLAIMS
- 9.5 ACCEPT AND FILE: METRO PARACRUZ OPERATIONS STATUS REPORT FOR JULY, AUGUST, AND SEPTEMBER 2021
- 9.6 ACCEPT AND FILE: QUARTERLY STATUS REPORT OF GRANT APPLICATIONS, ACTIVE AND PENDING GRANTS FOR THE 1ST QUARTER OF FY22
- 9.7 ACCEPT AND FILE: METRO RIDERSHIP REPORTS FOR THE 1ST QUARTER OF FY22
- 9.8 APPROVE: CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A CONTRACT WITH GIRO, INC. FOR HASTUS SOFTWARE MAINTENANCE & SUPPORT
- 9.9 APPROVE: TERMINATION OF CONTRACT WITH GMV SYNCROMATICS & AWARD OF CONTRACT TO CLEVER DEVICES FOR PURCHASE & INSTALLATION OF AN INTELLIGENT TRANSPORTATION SYSTEM

There were no public comments.

ACTION: MOTION TO APPROVE THE CONSENT AGENDA AS PRESENTED

MOTION: DIRECTOR PAGELER

SECOND: DIRECTOR ROTKIN

MOTION PASSED WITH 10 AYES (Directors Dutra, Kalantari-Johnson, Koenig, Lind, McPherson, Meyers, Northcutt, Pageler, Petersen, & Rotkin)

REGULAR AGENDA

10 APPROVE: DEBT MANAGEMENT POLICY AND PENSION FUNDING POLICY

Chuck Farmer, CFO, gave an overview of the Debt Management and Pension Funding Policies and requested the Board's approval so METRO can establish the framework needed to solve its debt issue. The Debt Management Policy provides the Board authority to issue debt and the Pension Funding Policy focuses on METRO's pension obligation to the long-term cost and benefits provided to its members.

There was no public comment.

ACTION: MOTION TO APPROVE THE DEBT MANAGEMENT AND PENSION FUNDING POLICIES AS PRESENTED

MOTION: DIRECTOR ROTKIN

SECOND: DIRECTOR MEYERS

MOTION PASSED WITH 10 AYES (Directors Dutra, Kalantari-Johnson, Koenig, Lind, McPherson, Meyers, Northcutt, Pageler, Petersen, & Rotkin)

11 CONSIDERATION OF A RESOLUTION MAKING CERTAIN FINDINGS AND DIRECTING THAT THE BOARD AND ITS COMMITTEE MEETINGS WILL CONTINUE TO BE HELD VIA TELECONFERENCE

Alex Clifford, CEO, mentioned that METRO must pass this resolution each month or at the next regular Board meeting to continue virtual meetings as long as a state of emergency is in effect.

Julie Sherman, METRO General Counsel, added Governor Newsom did extend the state of emergency through March 31, 2022.

There was no public comment.

ACTION: MOTION TO APPROVE THE RESOLUTION MAKING CERTAIN FINDINGS AND DIRECTING THE BOARD AND ITS COMMITTEE MEETINGS WILL CONTINUE TO BE HELD VIA TELECONFERENCES AS PRESENTED

MOTION: DIRECTOR KALANTARI-JOHNSON

SECOND: DIRECTOR PAGELER

MOTION PASSED WITH 10 AYES (Directors Dutra, Kalantari-Johnson, Koenig, Lind, McPherson, Meyers, Northcutt, Pageler, Petersen, & Rotkin)

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

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

Discussion unfolded on excess capacity in the paratransit system in conjunction with the on-demand service pilot program. John Urgo, Planning and Development Director, said ParaCruz is approaching pre-COVID levels. There is capacity on nights and weekends; we are considering pivoting that pilot program to focus on those areas.

Discussion ensued around passenger incidents on the 4200 Series buses and the steps taken by the Safety/Risk Department to mitigate those incidents. Director Rotkin expressed gratitude for the department taking proactive steps to address these issues.

There was no public comment.

Agenda Items 15 and 16 were heard in advance of Agenda Item 13.

13 CEO ORAL REPORT / COVID-19 UPDATE

CEO Clifford announced there have been no promotions or new hires since the October Board meeting and continued with the following updates:

- Since the October meeting, METRO has had two COVID positive cases.
- METRO has notified all employees that as a condition of working at METRO they must be fully vaccinated by December 31, 2021, or face discipline up to and including termination. We are accepting and reviewing all religious and medical exemption requests.
- Two unvaccinated employees have notified METRO that they have started the process towards full vaccination and have received their first vaccination.
- To help our employees get vaccinated, Human Resources has coordinated several on-site vaccination clinics for employees to receive their first, second or booster vaccination.
- METRO has undergone two federal audits relative to a federal requirement that the Federal Transit Administration (FTA) audit those recipients of COVID relief funds. One audit has been completed and resulted in having only minor recommendations. The second audit is still pending.
- METRO underwent the Transportation Development Act (TDA) Triennial Performance Audit on November 18, 2021 for the period of 2019 – 2021 and awaits those results.
- SCCRTC has a round of discretionary funds for which they are soliciting applications. Staff recommendation is going to the December SCCRTC meeting for one compressed natural-gas, articulated bus in the amount of \$1 million.
- METRO is submitting grant applications for the south county bus division to begin the planning and engineering of this project.
- Urban Futures has been hired as our bond advisor. We are finalizing the contract for our bond counsel, Jones Hall. The bond underwriter is in the process of being solicited and interviews have been scheduled for next week.
- The winter bid is effective December 9, 2021. We are receiving complaints about cancelling the 5:00 AM Hwy. 17 service out of Pacific Station. We are cancelling it due to extremely low ridership. Starting December 9th, the first Hwy. 17 bus will start at 6:00 AM.
- Our Bus Operator hiring bonus has resulted in eight new hires who will start their classes in December 2021.
- We are moving forward with the purchase of additional Proterra buses for Hwy. 17 using the 2016 LoNo Program.
- Danielle Glagola, Marketing, Communications and Customer Service Director, has arranged our first “Stuff the Bus” event with Toys for Tots on December 11, 2021. It will be held from 11:00 AM – 4:00 PM at the Watsonville Target with the Watsonville Fire Department assisting us.
- Danielle Glagola has also completed applying holiday characters to the windows of four fleet buses circulating throughout Santa Cruz County.

- The winter Headways will reflect the new schedules beginning December 9, 2021. This issue will focus on recruitment and hiring.
- METRO has had virtual meetings with Senator Laird and Assemblymember Rivas to bring them up to speed on how we've been managing METRO during the pandemic. The goal is to continue meeting with various state officials on a regular basis.
- CEO Clifford provided an update on the Infrastructure Investment and Jobs Act (IIJA).
- CEO Clifford announced his retirement from METRO with an effective date of January 21, 2022 (letter attached). Board members expressed sadness over CEO Clifford's departure and thanked him for his leadership and service to the agency and community.

There was no public comment.

14 ANNOUNCEMENT OF NEXT MEETING:

Chair Lind announced there will not be a regular Board Meeting in December. The next regular Board Meeting will be on January 28, 2022, 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.

15 RECESS TO CLOSED SESSION AT 9:39 AM

Julie Sherman, General Counsel, announced there is one item for closed session with the labor negotiator and it will involve all three METRO unions. She did not anticipate any reportable action out of the closed session.

SECTION II: CLOSED SESSION

16 CONFERENCE WITH LABOR NEGOTIATOR PURSUANT TO GOVERNMENT CODE SECTION 54957.6

Agency Designated Representative:	Alex Clifford, CEO/General Manager
Employee Organization:	SEIU, Local 521
	SMART, Local 23 Fixed Route and
	ParaCruz Operation

SECTION III: RECONVENE TO OPEN SESSION AT 10:15 AM

General Counsel Sherman announced there was no reportable action taken in the Closed Session.

There was no public comment.

17 ADJOURNMENT

Chair Lind adjourned the meeting at 10:55 AM.

Respectfully submitted,

Donna Bauer
Administrative Specialist

Attachment

Dear Board Members

It is with mixed emotions that I announce today my retirement. My last day with METRO will be January 21st.

Shortly thereafter, On January 31st I will assume the position of CEO at San Joaquin RTD.

I want to thank the METRO Board for providing me the opportunity to lead this agency for the past seven and a half+ years.

I'm proud to say that during my tenure with METRO, the Agency has accomplished much. When I say the Agency or we, I am referring to the Board, the leadership team and the employees. Those accomplishments include:

- Resolving a \$6.3 million structural deficit with no layoffs
- We completed the problem-ridden Judy K Souza Operations building
- Rehabilitated the Watsonville Transit Center
- Opened a customer service window at the Watsonville Transit Center
- Started the agency's first zero emission bus service on a new circulator route in Watsonville
- Completed a new mural and rehabilitated the original mural at the Watsonville Transit Center
- Upgraded lighting at the Watsonville Transit Center
- We installed numerous bus shelters in Watsonville
- We have initiated the phase I planning for a zero emission south county bus division
- We won numerous state and federal capital grants that were mostly used to replace aging buses
- We have made significant progress towards a data warehouse
- All tenant spaces have been leased
- We launched new METRO branding and much more professional looking Headways and informational brochures
- We kept our employees safe by keeping our workplace injuries and traffic collisions low
- Added or improved surveillance capabilities on buses and METRO facilities

Attachment

- Kept the agency fiscally solvent and always had clean audits
- Created a bus replacement plan and reduced the backlog of buses we are operating beyond their useful life from 62 to just over 38 today
- Added four zero emission electric buses to the fleet and three more will soon be on order
- Created a plan to transition to 100% zero emission buses
- Created the agency's first strategic plan and strategic priorities
- Created a 10-year state of Good Repair unfunded capital priority list
- Created a Board adopted Reserves Plan and fully funded the buckets
- Completed the agency's first Transit Asset Management Plan
- Created a Safety Department
- Created a Marketing & Communications Department
- Outsourced our legal services
- Successfully achieved a commitment from the RTC to provide METRO 16% of Measure D revenues
- We are working towards a 2022 federal LoNo grant for a pilot fuel cell bus project
- Achieved shovel ready status and we have submitted our grant application for federal grant funding to build the new ParaCruz facility and we hope to hear of an award by March 2022.
- Our facilities across the METRO system are in far better condition than they ever have been because of an aggressive state of good repair program and a philosophy of attention to detail. This includes new roofs, exterior paint and new landscaping at the Watsonville Transit Center, Scotts Valley Transit Center and Vernon Admin offices.
- I have represented this agency on CTA, CTAA, CalAct, The Bus Coalition, ZEBRA and APTA, mostly in a leadership role
- We grew our partnerships with the students at UCSC and Cabrillo college
- We completed a major Comprehensive Operational Analysis
- We initiated the development of a bus on shoulder program
- We initiated the process towards resolving the UAL unfunded liability
- We initiated the process towards a new ERP
- We re-established Board sub-committees
- We completed the Class & Comp study and implementation

Attachment

- For the first time in seven years I now have a dream team leadership team in place. I will very much miss working with them. Their experience, expertise and intelligence will provide stability during this time of transition.
- Then, the pandemic hit in March 2020, compound by the CZU fires
- There is no playbook for such a thing
- We worked hard to keep our employees safe...and we did
- I made an early commitment that I would do my best to avoid layoffs and furloughs...and we were successful
- We implemented creative work schedules that would reduce employee exposure to the virus
- Finally, in solidarity with our frontline employees who had to come to work every day, I too came to work every day since March 2020. The only exception being an occasional time off.

In closing, I would like to suggest that the Board Chair establish an Ad Hoc CEO recruitment Committee. If the Board and Committee wishes, I will be happy to help the Committee identify a CEO recruiter who can assist in a nationwide recruitment and I will be happy to help you get well underway towards replacing me by the time I leave in mid-January. I want to assure you that I will diligently perform my duties on my last day as I did on my first day.

Thank you again for the opportunity to lead this agency for over seven years.

Respectfully,
Alex Clifford, CEO