



SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO) BOARD OF DIRECTORS MEETING MINUTES* SEPTEMBER 27, 2024 – 9:00 AM

A regular meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District (METRO) convened on Friday, September 27, 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 9:01 AM by Board Chair Brown.

2 SAFETY DEBRIEF

Gregory Strecker, Safety, Security & Risk Management Director, provided a debriefing on safety, emphasizing METRO’s response to a fire, earthquake and/or medical emergency, evacuation routes, and an active shooter situation.

3 ROLL CALL

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

Director Kristen Brown	City of Capitola
Director Rebecca Downing	County of Santa Cruz
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 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
Corey Aldridge	CEO/General Manager
Julie Sherman	General Counsel

4 ANNOUNCEMENTS

- 4.1 Today’s meeting is being broadcast by Community Television of Santa Cruz County.
- 4.2 Language Line Services was unable to secure Spanish interpretation services for today’s meeting.

5 BOARD OF DIRECTORS COMMENTS

Hearing none, Board Chair Brown moved to the next agenda item.

6 ORAL AND WRITTEN COMMUNICATIONS TO THE BOARD OF DIRECTORS

Jordan Vascones, SEA President – SEIU 521, was pleased to announce that wages have increased for a total of 25 SEIU employees, most of whom were at the lower end of the wage scales. As the agency has scaled up in service, it requires proportional scaling on the administrative side; there are currently several vacancies of funded positions. He also requested the Board of Directors (Board) to table Items 10.10 and 13 for one month to provide transparency of the management wage study to ensure fairness and consistency was performed.

Gabriela Gonzales, SEA Vice President – SEIU 521, also requested Item 13 be tabled so that the wage study can be reviewed. She proposed that the revised budget be approved with the exception of Item 13, expressing this would be beneficial to METRO in rebuilding a culture where everyone is held accountable and treated equally while assuring the public that it is receiving the utmost service from our team.

A member of the public requested the Board to provide bathrooms for the Bus Operators and riders in the new downtown location for sanitary reasons.

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

7 LABOR ORGANIZATION COMMUNICATIONS

Olivia Martinez, SEIU Region 2 Director, expressed concern about METRO's leadership and moral compass in appointing an employee into a management position whom she claims has bullied others and made racist remarks. Other employees, who have been waiting in line for a position such as this to open up, were not provided the same consideration. She requested the Board to hold management accountable for their actions and provide some transparency. SEIU currently has four PERB (Public Employment Relations Board) charges/grievances moving forward against METRO.

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

8 WRITTEN COMMUNICATIONS FROM THE METRO ADVISORY COMMITTEE

Board Chair Brown noted the letter received from the METRO Advisory Committee Chair Veronica Elsea dated 9/19/24.

9 ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

Having none, Board Chair Brown moved to the next agenda item.

CONSENT AGENDA

All items appearing on the Consent Agenda are recommended actions which are considered to be routine and will be acted upon as one motion. All items removed will be considered later in the agenda. The Board Chair will allow public input prior to the approval of the Consent Agenda items.

- 10.1 ACCEPT AND FILE: PRELIMINARY APPROVED CHECK JOURNAL DETAIL FOR THE MONTH OF AUGUST 2024
Chuck Farmer, Chief Financial Officer
- 10.2 ACCEPT AND FILE MINUTES OF:
 - A. AUGUST 21, 2024 METRO ADVISORY COMMITTEE (MAC) MEETING
 - B. AUGUST 23, 2024 BOARD OF DIRECTORS REGULAR MEETING
 - C. SEPTEMBER 13, 2024 FINANCE, BUDGET AND AUDIT STANDING COMMITTEE MEETINGCorey Aldridge, CEO/General Manager
- 10.3 RECEIVE AND FILE: THIRD AMENDMENT TO THE CONTRACT FOR TRANSIT SERVICES WITH CABRILLO COMMUNITY COLLEGE DISTRICT
John Urgo, Planning and Development Director
- 10.4 ACCEPT AND FILE THE FISCAL YEAR END MONTHLY BUDGET STATUS REPORTS FOR JUNE 30, 2024 AND ADOPTION OF THE PRELIMINARY SCHEDULE OF RESERVE ACCOUNT BALANCES
Chuck Farmer, Chief Financial Officer
- 10.5 ACCEPT AND FILE: THE YEAR-TO-DATE KEY PERFORMANCE INDICATORS (KPI) REPORT FOR QUARTER FOUR AS OF JUNE 30, 2024
Chuck Farmer, Chief Financial Officer
- 10.6 APPROVE: RECOMMENDED ACTION ON TORT CLAIMS
Gregory Strecker, Safety, Security and Risk Management Director
- 10.7 APPROVE: THE TWELFTH AMENDMENT FOR A THREE-YEAR EXTENSION OF THE MEMORANDUM OF UNDERSTANDING FOR THE HIGHWAY 17 CONSOLIDATED TRANSIT SERVICE
John Urgo, Planning and Development Director
- 10.8 APPROVE: CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A 2nd CONTRACT AMENDMENT WITH CELTIS VENTURES, INC. TO INCREASE THE CONTRACT TOTAL BY \$400,000.00 FOR GENERAL MARKETING SERVICES
Danielle Glagola, Marketing and Communications Director
- 10.9 APPROVE: CONSIDER A RESOLUTION DESIGNATING THE CEO/GENERAL MANAGER AS THE AUTHORIZED AGENT TO SUBMIT A PROJECT LIST AND EXECUTE AN AGREEMENT TO RECEIVE FISCAL YEAR 2024-2025 CALIFORNIA STATE OF GOOD REPAIR (SGR) FUNDS
Derek Toups, Capital Planning and Grants Programs Manager
- 10.10 ADOPTION OF THE REVISED FY25 AND FY26 BUDGET
Chuck Farmer, Chief Financial Officer
- 10.11 APPROVE: REQUEST FOR AUTHORIZATION OF MAINTENANCE DEPUTY DIRECTOR IN THE FLEET AND FACILITIES DEPARTMENT
Dawn Crummié, Human Resources Director
- 10.12 APPROVE: WAIVE THE FORMAL COMPETITIVE BIDDING REQUIREMENTS AND AUTHORIZE THE CEO/GENERAL MANAGER TO ENTER INTO DIRECT NEGOTIATIONS WITH VENDORS FOR PROVISION OF A MOBILE HYDROGEN FUEL SOLUTION AND HYDROGEN FUELING SERVICES
Joan Jeffries, Purchasing Manager

Board Chair Brown pulled Item 10.10 for further discussion.

There were no public comments.

Hearing nothing further, the Board Chair called for a voice vote.

ACTION: MOTION TO APPROVE THE CONSENT AGENDA, EXCLUDING ITEM 10.10, AS PRESENTED

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.

REGULAR AGENDA

11 PRESENTATION OF EMPLOYEE LONGEVITY AWARD FOR SEPTEMBER: (20 YEARS) CANDIS ALMANZA, PARATRANSIT SUPERVISOR

Board Chair Brown thanked Ms. Almanza for her years of service to METRO.

There were no public comments.

12 RETIREE RESOLUTION OF APPRECIATION FOR: THOMAS SZESTOWICKI, SAFETY AND TRAINING PROGRAM SPECIALIST I

Board Chair Brown congratulated Mr. Szeszowicki on his retirement and thanked him for his years of service to METRO.

There were no public comments.

Hearing nothing further, the Board Chair called for a voice vote.

ACTION: MOTION TO APPROVE THE RETIREE RESOLUTION OF APPRECIATION FOR THOMAS ZSESTOWICKI

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.

Item 10.10 previously pulled from the Consent Agenda for further discussion.

10.10 ADOPTION OF THE REVISED FY25 AND FY26 BUDGET

Board Chair Brown remarked that she was glad METRO has been successful in recruiting Bus Operators but asked if METRO is filling other funded positions in Attachment D to support those hires (e.g., mechanics, facilities maintenance workers, etc.)? She requested an update on efforts to fill the open positions as a future agenda item. Corey Aldridge, CEO/General Manager, affirmed that will be provided.

She asked Julie Sherman, Legal Counsel, if the Board can approve Items 10.10 and 13 together since they are interconnected to the budget. Legal Counsel Sherman responded with "Yes."

Hearing nothing further, Board Chair Brown moved to Item 13.

13 APPROVE: REQUEST FOR REVISED WAGE SCALES FOR EXECUTIVE AND SENIOR MANAGEMENT

Corey Aldridge, CEO/General Manager, spoke to this item and said it has been six years since a wage study has been done for management. In order for METRO to stay competitive as an organization, we need to revisit and reevaluate management positions. Six years is a long time to be showing appreciation to management for the work that they do.

Other Directors agreed that it is important that management and all levels of staffing be compensated for their hard work in an effort to attract and retain employees.

Board Members raised the following concerns:

- Why has METRO waited six years to do a wage study?
- What processes and timelines are in place for management wage studies?
- Does an ad hoc committee need to be created to provide clarity to these wage study processes for both management and the unions for transparency within the agency and to the public?
- How are third-party consultants chosen and how long has METRO been using the current class and comp consultant and when will this contract go out to bid again?
- Do the unions have a role in agreeing to the agencies chosen for these studies?
- If the scope and responsibilities for these management positions has expanded, is that reflected in their job descriptions? It was suggested that the Board review these on a case-by-case basis versus an across-the-board approach. CEO Aldridge confirmed that METRO can do that moving forward.
- Request for information on how METRO compares with other agencies when these studies are done—are we doing well as an agency or are we at risk of losing more people?
- Is there a mentoring program in place to aide in promoting within? If not, one should be created.
- When will these wage scales take effect? CEO Aldridge stated it will be the next pay period.
- Why is there a discrepancy between the numbers presented at the Finance, Budget and Audit Standing Committee and what is being presented in the Board packet. Chuck Farmer, Chief Financial Officer, explained why there was a difference and the reason for presenting the Board with a revised budget.

Dawn Crummié, METRO's Human Resource Director, addressed some of the concerns by describing the consultant procurement process, parameters used in analyzing the wage study, and confirming the union agreed to the 10 agencies chosen in a recent meet and confer.

Discussion also centered on the SEIU Memorandum of Understanding (MOU) and choosing positions to be reviewed (for class and comp) in June and December, being conditionally granted an extension for the June positions, and then denied that extension because the union had still not submitted their positions in a timely manner. Concerns were raised on not providing any leeway while the union was going from a paper system to an electronic system. Ms. Crummié said the twice a year reviews were negotiated with the unions when the contract was bargained. The positions to be submitted now by the union will be for December. It is not

feasible to do June positions anymore due to the time it takes to perform the study, and she is only adhering to the contract language. There was written correspondence with the union that the extension was not granted and acknowledged in writing from Ms. Martinez. More clarification was requested on how the selection of individual or group positions is handled and studied. Monik Delfin, HR Deputy Director, provided an explanation.

Directors Rotkin and Koenig pointed out that the current process of submittals twice a year was part of the bargaining process that the union agreed to and it's almost October now.

Director Rotkin added that unions don't decide the pay scales for management; that is handled by the Board and management team. The fiscal cliff is not that dangerous and shouldn't be used as an excuse that we can't afford to pay the market rate for the work both management and union employees perform. Director Rotkin requested CEO Aldridge to meet with the union to discuss the SEIU concerns. CEO Aldridge agreed to the request. Director Rotkin requested the unions let the Board Members know when internal discussions break down so that they can help facilitate before escalating to PERB charges.

Board Chair Brown suggested a workshop for the Board Members may be helpful to understand who is involved in the wage study process and contract negotiations.

Mr. Vascones commented that he was unaware that the June extension was declined until this meeting. He mentioned that Santa Cruz County has a seamless process in place that helps in avoiding contention and renegotiating things. He acknowledged Director Rotkin's remarks on reaching out to the Board in the future before things escalate to PERB.

Ms. Gonzalez emphasized that the union is not opposed to wage increases but it is questionable how the management group's study was done. Being able to see the consultant's spreadsheet would shine light on understanding how the study was conducted.

A METRO Mechanic addressed the Board and said the Fleet Department needs more mechanics and training on electric and hydrogen buses.

Elmer Torres, SEIU Local 521 Steward, provided context to the management compensation study prepared in 2018. He believes the reason why a study wasn't done on managers prior to 2018 was because management always received the same increases that the unions received. In 2018, management did the class and comp study first and used different agencies than what were used for the unions. METRO struggles when hiring people because many candidates turn down the offer for more money elsewhere. It is not just management that needs good candidates but competitive wages need to be provided for everyone at METRO. When we were negotiating the MOU under CEO Michael Tree, the union was told it can't have more money because METRO is headed towards a fiscal cliff; but now it's okay? We still have a fiscal cliff looming.

Hearing nothing further, the Board Chair Brown reiterated the importance of having processes, procedures, timelines and schedules in place and requested all of these details be included in the process that staff will create. She requested an update on recruitment at the next Board meeting and training plans for the Mechanics. She

also requested the wage scale study for management go to the next Personnel committee and also to the Board for information. She called for a voice vote.

ACTION: MOTION TO:

- 1. APPROVE THE REQUEST FOR REVISED WAGE SCALES FOR EXECUTIVE AND SENIOR MANAGEMENT**
- 2. DIRECT THE CEO TO MEET WITH SEIU LEADERSHIP MEMBERS TO DISCUSS THE WAGE STUDY PROCESS**
- 3. DIRECT CEO TO WORK WITH APPROPRIATE PERSONS TO DEVELOP AND ARTICULATE A WAGE STUDY PROCESS FOR MANAGEMENT AND REPORT BACK TO EITHER THE PERSONNEL COMMITTEE OR BOARD OF DIRECTORS**
- 4. ITEM 10.10 – ADOPT THE REVISED FY25 AND FY26 BUDGET**
- 5. PUBLISH THE WAGE STUDY FOR MANAGEMENT IN OUR NEXT BOARD AGENDA PACKET**

MOTION: DIRECTOR KALANTARI-JOHNSON 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.

14 CEO ORAL REPORT

Corey Aldridge, CEO/General Manager mentioned the following:

- METRO earned recognition for five consecutive years of compliance with the City of Santa Cruz “Clean Ocean Program” and was awarded a plaque at the City Awards celebration. Congratulations to the Facilities Department for their great work.
- APTA Leadership Class of 2025 has made their selection for the program and John Urgo, Planning and Development Director, will be representing METRO. This program will kick off this weekend with attendance at the APTA TransFORM Conference.
- Today METRO is participating in the UCSC Downtown Day, setting up a tabling event at the Customer Experience Center on Front Street. This location is included for the scavenger hunt to help get new students acquainted with the area.
- October 2, 2024 – CA Clean Air Day – METRO’s offering free fares countywide that day and encouraging the community to make their own Clean Air Day pledges through our online portal. We will have a tabling event at the Customer Experience Center.
- October 6, 2024 – Blue Innovation Day hosted at the Seymour Center - METRO will be showcasing a One Ride At A Time (ORAT) bus and setting up a booth to promote the environmental benefits of public transit and encourage attendees to sign up for GO Santa Cruz to participate in ORAT.
- October 16, 2024 – Jodi Frediani, one of METRO’s ORAT photographers, will be hosting her “Wild Monterey” book launch at the Exploration Center. METRO will have a tabling event and showcase the orca whale bus.

- October 19, 2024 – Bus Roadeo – A few of the Board Members have signed up to help judge and announce at the event. If anyone else wants to participate, please reach out to Donna. It should be a fun event.
- November 1, 2024 – ParaCruz is celebrating its 20th Anniversary. This event is being held at 2880 Research Park Drive in Soquel on Friday, November 1st, from 11AM – 2PM. More details will follow.
- Effective September 03, 2024, there have been 10 new hires (1 Mechanic, 2 Custodial Service Workers, 2 Paratransit Operators, and 5 Bus Operators) and 1 promotion:
- State Legislative Update – August was a busy month for the Legislature sending Governor Newsom almost 1,000 bills. The Governor has until September 30th to sign, veto, or allow the bills to become law without his signature by taking no action.

Governor Newsom released \$1.9 billion of the \$2.4 billion total to 22 regional entities statewide on July 8 and an additional \$343 million of the \$2.4 billion total to an additional 18 regional entities statewide. The second release amount included RTC's first year share of its SB 125 funding, totaling \$16.4 million.

Michael Pimentel, METRO's state legislative advocate, will join our Board meeting in October as well as our federal legislative advocate, Chris Giglio, to provide more updates.

- Staff went to Monterey on September 26, 2024 for the annual Central Coast Transit Agency Summit. This year four transit agencies participated— Monterey-Salinas Transit, San Luis Obispo Regional Transit Authority, San Benito County Express, and Santa Cruz METRO. We broke out into groups, shared information and challenges, and collaborated to build relationships.

Director Pageler added that the Blue Innovation Day is including a talk about green hydrogen in the afternoon session.

Board Chair Brown encouraged others to attend the Bus Roadeo and relayed that it was a lot of fun last year.

There were no public comments.

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

15 ANNOUNCEMENT OF NEXT MEETING:

Board Chair Brown announced the next regular Board meeting will be on Friday, October 25, 2024, at 9:00 AM at the METRO Admin Office, 110 Vernon Street, Santa Cruz, CA

16 ADJOURNMENT

Board Chair Brown adjourned the meeting at 10:22 AM.

Respectfully Submitted,

Donna Bauer
Executive Assistant