



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)
BOARD OF DIRECTORS AGENDA MEETING MINUTES*
SEPTEMBER 28, 2018 – 9:00 AM
SANTA CRUZ CITY COUNCIL CHAMBERS
809 CENTER STREET
SANTA CRUZ, CA 95060**

A regular meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District (METRO) was convened on Friday, September 28, 2018 at the Santa Cruz City Council Chambers, 809 Center Street, Santa Cruz, CA.

The Board Meeting Agenda Packet can be found online at www.SCMTD.com and is available for inspection at Santa Cruz METRO's Administrative offices at 110 Vernon Street, Santa Cruz, California. *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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SECTION I: OPEN SESSION

CALL TO ORDER at 9:04 AM by Chair McPherson.

ROLL CALL: The following Directors were present, representing a quorum:

| | |
|-------------------------------------|--|
| Director Ed Bottorff | City of Capitola |
| Director Cynthia Chase | City of Santa Cruz |
| Director Trina Coffman-Gomez | City of Watsonville |
| Director Jimmy Dutra | City of Watsonville |
| Director Norm Hagen | County of Santa Cruz <i>Arrived 9:14A</i> |
| Director John Leopold | County of Santa Cruz |
| Director Donna Lind | City of Scotts Valley |
| Director Cynthia Mathews | City of Santa Cruz |
| Ex-Officio Director Zach McDaniel | Cabrillo College |
| Director Bruce McPherson | County of Santa Cruz |
| Director Dan Rothwell | County of Santa Cruz <i>Arrived 9:09A</i> |
| Director Mike Rotkin | County of Santa Cruz |
| Ex-Officio Director Davon Thomas | UCSC |

Ex-Officio Directors McDaniel and Thomas were absent.

STAFF PRESENT:

Alex Clifford
Shayna van Hoften, Esq. for Julie Sherman

METRO CEO/General Manager
METRO General Counsel

METRO EMPLOYEES AND MEMBERS OF THE PUBLIC WHO VOLUNTARILY INDICATED THEY WERE PRESENT (IN ALPHABETICAL ORDER) WERE:

Heather Adamson, AMBAG
Dan Stevenson, SMART 23

Daniel Zaragoza, SCMTD

ANNOUNCEMENTS

Chair McPherson introduced Carlos Landaverry for his Spanish Language interpretation services. Mr. Landaverry announced his services in Spanish for the assembly. Chair McPherson also announced that the meeting is being televised by Community Television of Santa Cruz County with technician, Mr. Lynn Dunton.

BOARD OF DIRECTORS COMMENTS

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

Directors Mathews and Leopold spoke about the recent No on Prop 6 press conference they and several other Directors and County Board Supervisors attended.

Chair McPherson has also been attending various community group meetings. He reminded the assembly that the passing of Prop 6 would result in approximately \$2.5M loss for METRO as well as another \$15M county-wide.

Several Directors echoed the concerns of the very real financial impact.

ORAL AND WRITTEN COMMUNICATIONS TO THE BOARD OF DIRECTORS

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

WRITTEN COMMUNICATIONS FROM MAC

Chair McPherson acknowledged the letter received from MAC Chair Pisano

LABOR ORGANIZATION COMMUNICATIONS

Hearing none, Chair McPherson moved to the next item.

ADDITIONAL DOCUMENTATION - distributed and available at the back of the room

- Due to a printer malfunction, some board packets were distributed with missing pages. Pages 9-05 through 9-06 have been redistributed and are available at the back of the room.
- September 6 – December 12, 2018 Headways Edition
- Transit Talent Article regarding METRO's CEO, Alex Clifford
- Letter to CARB from Santa Cruz METRO
- News Clips

CONSENT AGENDA

9-01 RECOMMENDED ACTION ON TORT CLAIMS

9-02 ACCEPT AND FILE: PRELIMINARY APPROVED CHECK JOURNAL DETAIL FOR THE MONTH OF AUGUST 2018

9-03 ACCEPT AND FILE: MINUTES OF THE AUGUST 24, 2018 BOARD OF DIRECTORS MEETING

9-04 ACCEPT AND FILE: MINUTES OF THE AUGUST 15, 2018 METRO ADVISORY COMMITTEE (MAC) MEETING

- 9-05 ACCEPT AND FILE: QUARTERLY PROCUREMENT REPORT FOR 2ND QUARTER OF FY19
- 9-06 ACCEPT AND FILE: METRO PROJECT CLOSEOUT: ONBOARD BUS AND PARATRANSIT VEHICLE SECURITY SURVEILLANCE SYSTEM
- 9-07 APPROVE: CONCUR IN THE APPOINTMENT OF ED BOTTORFF, BOARD VICE CHAIR, AS DIRECTOR CHASE'S REPLACEMENT ON SANTA CRUZ METRO BOARD PERSONNEL/HR STANDING COMMITTEE
- 9-08 ACCEPT AND FILE: THE YEAR TO DATE MONTHLY FINANCIAL REPORT AS OF JUNE 2018

Agenda Item 9-08 was pulled from Consent to be included in Agenda Item 12, CEO Comments.

There was no public comment.

ACTION: MOTION TO ACCEPT THE CONSENT AGENDA AS PRESENTED

MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR DUTRA

MOTION PASSED WITH 11 AYES (Directors Bottorff, Chase, Coffman-Gomez, Dutra, Hagen, Leopold, Lind, Mathews, McPherson, Rotkin and Rothwell).

REGULAR AGENDA

- 10. **PRESENTATION OF EMPLOYEE LONGEVITY AWARDS FOR BRIAN LAM, FACILITIES MAINTENANCE WORKER II (10 years), DAN STEVENSON, BUS OPERATOR (20 years) AND ANGEL J. VALDEZ, BUS OPERATOR (30 years)**
Chair McPherson announced and congratulated Messrs. Lam and Valdez in absentia. Mr. Stevenson spoke briefly of his 20 years as a Bus Operator with METRO.
- 11. **PRESENTATION OF EMPLOYEE RETIREMENT RESOLUTIONS FOR LETICIA CALLEJAS, BUS OPERATOR (18 years) AND ELLYN PETERSON, BENEFITS ADMINISTRATOR (14 years)**
Bruce McPherson, Board Chair, thanked everyone for their years of service in absentia.

ACTION: MOTION TO APPROVE THE RETIREMENT RESOLUTIONS FOR LETICIA CALLEJAS, BUS OPERATOR (18 years) AND ELLYN PETERSON, BENEFITS ADMINISTRATOR (14 years) AS PRESENTED

MOTION: DIRECTOR BOTTORFF SECOND: DIRECTOR ROTKIN

MOTION PASSED WITH 11 AYES (Directors Bottorff, Chase, Coffman-Gomez, Dutra, Hagen, Leopold, Lind, Mathews, McPherson, Rotkin and Rothwell).

12. CEO ORAL REPORT

Alex Clifford, CEO/General Manager, provided an oral update of various subjects:
Referring to the attached CARB letter distributed at today's meeting: The letter reflecting METRO's position will be presented at the upcoming CARB public hearing. We anticipate the regulation to be finalized after the first of the calendar year. Though battery technology continues to evolve, it likely cannot meet METRO's needs at this time, and METRO will struggle to meet the 2040 electric mandate. We cannot afford to make any mistakes in METRO's

transition to all all-electric fleet. Discussion among the board members and CEO Clifford revolved around support and incentivizing the bus manufacturers to continue to innovate.

CEO Clifford invited any interested board members to contact him if they are interested in attending the APTA Transit Board Members Governance workshop in Washington, DC, the week after Thanksgiving. Director Dutra voiced his support and indicated he'd like to attend.

A class of six Fixed Route Bus Operators begins on October 9th. We need more. METRO has a tough time recruiting for employees; e.g., qualified Vehicle Service Workers, Mechanics, Operators.

Several suggestions regarding recruitment were proposed by various attending Directors which CEO Clifford said he would share with the HR department.

Last year, METRO received approximately \$2M from a bus and bus facilities grant. He recently learned, from the FTA Acting Administrator, that the chances of receiving a grant two years in a row are slim due to over-subscription. She also said that unlike previous years, when the FTA wanted all grant-funded projects to be scalable, the FTA now looks for grantees to request the minimum level of funding they are willing to receive.

Director Dutra asked if we'd had any luck with converting the existing grant award for the over-the-road coaches.

CEO Clifford responded yes; we have a verbal agreement that the FTA will accept our plan to keep the funds and restrict the drawdowns to build the bus yard infrastructure initially. The we can buy more buses when they are capable of meeting our requirements. We expect that the \$3.8M will remain available for METRO's use in buying battery electric buses.

There have been no new hires or promotions since the last meeting.

There was no public comment.

12.01 Consent Agenda Item 9-08 pulled from Consent.

CEO Clifford brought the assembly's attention to pages 9-08.10 – 11 to celebrate the fully funded reserve buckets, some of which will be used to future grant matches. He also thanked the finance team for their efforts and accomplishments. Director Leopold echoed CEO Clifford's comments noting it is because of staff work, public support, Cabrillo College and UCSC's support, and the passage of Measure D and SB 1, that METRO is now in a place where we were able to strengthen the financial foundation of METRO.

Chair McPherson cautioned this could change very quickly if Prop 6 passes.

There was no public comment.

ACTION: MOTION TO ACCEPT AND FILE THE YEAR TO DATE MONTHLY FINANCIAL REPORT AS OF JUNE 2018AS PRESENTED

MOTION: DIRECTOR LEOPOLD

SECOND: DIRECTOR COFFMAN-GOMEZ

MOTION PASSED WITH 11 AYES (Directors Bottorff, Chase, Coffman-Gomez, Dutra, Hagen, Leopold, Lind, Mathews, McPherson, Rotkin and Rothwell).

13. ORAL UPDATE ON EDUCATING THE PUBLIC ABOUT THE BENEFITS OF SENATE BILL 1

CEO Clifford, spoke to the topic in Mr. Emerson's absence, noting that METRO stands to lose \$2.4M - \$3M annually if Prop 6 is successful and would result in tough decisions which will impact service to the transit dependent. He also noted the educational material about SB 1 in the latest Headways.

Director Rotkin noted that METRO has recently been required to provide a 70% match to get federal grants. At one time, the government used to fund 80% of new buses. How will this affect METRO's future purchases? CEO Clifford replied that METRO does not have financial resources equivalent to large properties, so the effect of losing SB 1 funds would be especially significant for METRO.

Public comment:

Eduardo Montesino, said METRO needs to do more to promote improvements achieved through SB1 funds; e.g., the stickers on the bus are too small.

14. APPROVE: LONG RANGE BUS REPLACEMENT PLAN

In Mr. Emerson's absence, Ciro Aguirre, COO, spoke to the strategic approach METRO is taking to aid our aging fleet and referred the assembly to page 14A.1. He also explained the delicate balance between refurbishment and replacement, subject to financial capabilities.

Discussion among Directors, staff and CEO Clifford regarding the various technologies, purchasing versus leasing strategies, etc.

COO Aguirre informed the assembly that training is included in the price of equipment purchase. Erron Alvey, Purchasing and Special Projects Director, noted that training is also included in the grant amounts.

Public comment:

Mr. Montesino requested money be invested in mechanic training across all bus types.

ACTION: MOTION TO REFER THE LONG RANGE BUS REPLACEMENT PLAN TO THE CAPITAL PROJECTS STANDING COMMITTEE FOR FURTHER CONSIDERATION AND DEVELOPMENT

MOTION: DIRECTOR DUTRA

SECOND: DIRECTOR ROTHWELL

MOTION PASSED WITH 11 AYES (Directors Bottorff, Chase, Coffman-Gomez, Dutra, Hagen, Leopold, Lind, Mathews, McPherson, Rotkin and Rothwell).

15. APPROVE: ADOPTION OF (1) A REVISED POLICY REGARDING THE USE OF FIXED ROUTE SERVICES AND TRANSIT FACILITIES, INCLUDING PASSENGER CODE OF CONDUCT AND SERVICE SUSPENSION/EXCLUSION AND (2) A REVISED PASSENGER CODE OF CONDUCT AND SERVICE SUSPENSION / EXCLUSION POLICY FOR PARACRUZ

CEO Clifford provided background to the staff report, adding this Admin Code is a "living document" to accurately reflect legal requirements, etc.

Director Mathews suggested a grammatical correction (to change "laying" to "lying") on page 15AB3 of the redline version.

There was no public comment.

ACTION: MOTION TO APPROVE ADOPTION OF (1) A REVISED POLICY REGARDING THE USE OF FIXED ROUTE SERVICES AND TRANSIT FACILITIES, INCLUDING PASSENGER CODE OF CONDUCT AND SERVICE SUSPENSION/EXCLUSION AND (2) A REVISED PASSENGER CODE OF CONDUCT AND SERVICE SUSPENSION / EXCLUSION POLICY FOR PARACRUZ, AS CORRECTED

MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR DUTRA

MOTION PASSED WITH 11 AYES (Directors Bottorff, Chase, Coffman-Gomez, Dutra, Hagen, Leopold, Lind, Mathews, McPherson, Rotkin and Rothwell).

16. APPROVE: CONSIDERATION OF ISSUING A FORMAL REQUEST FOR PROPOSALS FOR AN ELECTRONIC FARE PAYMENT PILOT PROJECT FOR THE HIGHWAY 17 EXPRESS SERVICE

Pete Rasmussen, Transportation Planner, provided background to the staff report.

Some of the suggestions presented by Directors included:

- Give some weight to coordination with the fare payment systems of neighboring transit operators;
- Use technology verify whether a mobile ticket is valid, removing the responsibility for making judgment calls from the Operator and permitting quicker boarding.

Questions arose regarding overnight parking in the park and ride lots. CEO Clifford said this will be addressed at the October board meeting with a proposed parking ordinance.

There was no public comment.

ACTION: MOTION TO APPROVE ISSUING A FORMAL REQUEST FOR PROPOSALS FOR AN ELECTRONIC FARE PAYMENT PILOT PROJECT FOR THE HIGHWAY 17 EXPRESS SERVICE, TAKING THE BOARD COMMENTS INTO CONSIDERATION

MOTION: DIRECTOR MATHEWS SECOND: DIRECTOR HAGEN

MOTION PASSED WITH 11 AYES (Directors Bottorff, Chase, Coffman-Gomez, Dutra, Hagen, Leopold, Lind, Mathews, McPherson, Rotkin and Rothwell).

17. REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION

Attorney Shayna van Hoften announced the item to be discussed in closed session below. She did not anticipate any action from the closed session.

Public comment:

Mr. Montesino, representing the Bus Operators, requested increased respect during the negotiation process.

18 RECESS TO CLOSED SESSION

SECTION II: CLOSED SESSION

CONFERENCE WITH LABOR NEGOTIATORS (GOVERNMENT CODE SECTION 54957.6)

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|------------------------|--|
| Agency Negotiators: | Alex Clifford, CEO/General Manager Julie Sherman, General Counsel |
| Employee Organization: | UTU, Local 23 |

SECTION III: RECONVENE TO OPEN SESSION

19 REPORT OF CLOSED SESSION ITEMS

Attorney Shayna van Hoften announced there were no reportable actions from the closed session.

Chair McPherson announced the next meeting: Friday, October 26, 2018 at 9:00AM at the Capitola City Chambers, 420 Capitola Avenue, Capitola, CA. and adjourned the meeting at 11:18AM.

Respectfully submitted,

Gina Pye
Executive Assistant

Attachment

Santa Cruz Metropolitan Transit District



September 28, 2018

California Air Resources Board, Members
1001 I Street, Suite
Sacramento, CA 95814

On behalf of Santa Cruz Metropolitan Transit District (Metro) I would like to thank the Board and staff for the opportunity to participate in the development of the new zero emissions bus Regulation. I would like to also thank Mr. Kitowski and his staff for changes made to the draft ICT that have been developed as a result of numerous meetings with the California Transit Association and its members.

I personally have participated in numerous in-person and conference call meetings with the CTA and Mr. Kitowski and his staff over the past ten months. I have also uploaded my comments to CARB on the draft ICT and the revised draft ICT at least twice over this same period of time. It is safe to say that I have been interested and actively engaged in this process and have endeavored to support a process that would hopefully lead to a well written Regulation.

Let me be clear... Santa Cruz Metro is committed to zero emission buses and supports the Governor and CARB's goal of achieving zero emission bus fleets by 2040. To that end, in 2016 and 2017 Santa Cruz Metro obtained a federal LoNo grant for \$3.8 million to purchase three zero emission electric buses and cobbled together several grants to purchase four additional zero emission electric buses. Additionally, in May 2017, seven months prior to the release of the draft ICT, the Santa Cruz Metro Board adopted a goal for a fully zero emission bus fleet by 2040. Of course this goal is heavily influenced by Metro's ability to identify funding sources for the significantly higher cost electric buses and the need for the electric bus manufacturers to develop buses with an end of life range of at least 300 miles on a single overnight charge.

I won't waste your time restating the comments I provided you in my recent letter dated September 20, 2018. I will simply encourage you to spend quality time reviewing and discussing Santa Cruz Metro's concerns relative to the classification of large versus small transit properties; excluded buses; availability of HVIP dollars; and the need for the final Regulation to include a mandatory provision that the Board create a point in time in which electric bus data is collected; reviewed and benchmarked; and in which evaluates zero emission buses against conventional buses relative to cost and performance measures, including, most importantly, the industry's progression towards increasing bus end of life range.

In closing, please remember...this is an unfunded mandate that will require significant public resources to fund this new and evolving technology. Costly mistakes will impact the poorest of the poor - the transit dependent - in the way of service reductions and poor performing equipment. Let us all share in the goal of getting this right.

Respectfully,

Alex Clifford, CEO
Santa Cruz Metropolitan Transportation District

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Santa Cruz METRO On-line at <http://www.scmtd.com>*

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