



**METRO ADVISORY COMMITTEE (MAC) MEETING AGENDA
MAY 20, 2026 – 6:00 PM
HYBRID MEETING**

Members of the public may attend in-person or participate remotely via Zoom.

**METRO Admin Office
110 Vernon Street
Santa Cruz, CA 95060**

**Zoom [Link](#)
Dial In: 1-669-900-9128
Meeting ID: 826 6975 3593**

The METRO Advisory Committee (MAC) Meeting Agenda Packet can be found online at www.scmetro.org and is available for inspection at the Santa Cruz METRO's Administrative Office at 110 Vernon Street, Santa Cruz, CA.

Public comment may be submitted via email to mac@scmetro.org. Please indicate in your email the agenda item to which your comment applies. Comments submitted before the meeting will be provided to the staff before or during the meeting. Comments submitted after the meeting is called to order will be included in the correspondence that is posted online at the meeting packet link. Oral public comments will also be accepted during the meeting through Zoom. Each public comment is limited to three minutes or less. The Committee Chair has the discretion to manage the public comment process in a manner that achieves the purpose of public communication and assures the orderly conduct of the meeting.

The Board of Directors may take action on each item on the agenda. The action may consist of the recommended action, a related action or no action. Staff recommendations are subject to action and/or change by the Board of Directors.

COMMITTEE ROSTER

Jessica de Wit, Chair
Becky Taylor, Vice Chair
James Cruse
Veronica Elsea
Curtis Halpin
Joseph Martinez
Michael Pisano

NOTICE TO PUBLIC

At each meeting, every effort will be made to conclude MAC business by 8:00 PM. If there is concern that an item may not be adequately addressed in the time allowed, Committee members may choose to table the item until the next meeting, move the item earlier in the agenda or to extend the meeting if necessary.

MEETING TIME: 6:00 PM

NOTE: THE COMMITTEE CHAIR MAY TAKE ITEMS OUT OF ORDER

1. **CALL TO ORDER**
2. **SAFETY DEBRIEF**
Gregory Strecker, Safety, Security and Risk Management Director
3. **ROLL CALL**
MAC members may participate remotely due to “just cause” circumstances.
4. **COMMUNICATIONS TO THE METRO ADVISORY COMMITTEE**
This time is set aside for MAC members and members of the general public to address any item not on the agenda which is within the subject matter jurisdiction of the Committee. No action or discussion shall be taken on any item presented except that any MAC member may respond to statements made or questions asked or may ask questions for clarification. All matters of an administrative nature will be referred to staff. Each public comment is limited to three minutes or less. The MAC Chair has the discretion to manage the public comment process in a manner that achieves the purpose of public communication and assures the orderly conduct of the meeting. When addressing the Committee, the individual may, but is not required to, provide his/her name and address in an audible tone for the record.

4.1 Email from Kevin Maguire dated 4/12/26
5. **RECEIVE AND FILE MINUTES FROM THE METRO ADVISORY COMMITTEE MEETING OF FEBRUARY 18, 2026**
Jessica de Wit, Chair
6. **COMMUNICATIONS FROM THE METRO ADVISORY COMMITTEE**
7. **APPROVE: CONSIDERATION OF ADOPTING REMOTE METRO ADVISORY COMMITTEE (MAC) MEETINGS FOR MAC MEMBERS UNDER SB 707**
Julie Sherman, General Counsel
8. **REVIEW SANTA CRUZ METRO’S PRELIMINARY FY27 AND FY28 OPERATING BUDGETS AND FY27 CAPITAL BUDGET PORTFOLIO**
Chuck Farmer, Chief Financial Officer
9. **UPDATE ON WEEK WITHOUT DRIVING 2026**
Nilou Tayebian, Communications and Marketing Project Manager
10. **UPDATE ON OPERATIONS**
Margo Ross, Chief Operations Officer

11. UPDATE ON TAP2CRUZ

Nilou Tayebian, Communications and Marketing Project Manager

12. SERVICE PLANNING UPDATE

John Urgo, Chief Planning and Innovation Officer

- a. Quarterly Ridership Report
- b. Bus Stops
 - i. Update on Braille Bus Stop Signage
 - ii. Update on Rapid Corridors Project
- c. Other Projects
 - i. Update on Reimagine METRO
 - ii. Update on River Front Transit Center
 - iii. Update on Rotkin Transit Center
 - iv. Update on Watsonville Transit Center

13. COMMUNICATIONS TO THE METRO CEO/GENERAL MANAGER

14. COMMUNICATIONS TO THE METRO BOARD OF DIRECTORS

15. ITEMS FOR NEXT MEETING AGENDA

16. DISTRIBUTION OF VOUCHERS

Donna Bauer, Sr. Executive Assistant

**17. ANNOUNCEMENT OF NEXT MEETING: WEDNESDAY, AUGUST 19, 2026 AT 6:00 PM,
METRO ADMIN OFFICE, 110 VERNON STREET, SANTA CRUZ, CA**

Jessica de Wit, Chair

18. ADJOURNMENT

Accessibility for Individuals with Disabilities

This document has been created with accessibility in mind. With the exception of certain third party and other attachments, it passes the Adobe Acrobat XI Accessibility Full Check. If you have any questions about the accessibility of this document, please email your inquiry to accessibility@scmtd.com. Upon request, Santa Cruz METRO will provide written agenda materials in appropriate alternative formats or disability related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in and provide comments at/related to public meetings. Please submit a request, including your name, phone number, and/or email address, and a description of the modification, accommodation, auxiliary aid, service or alternative format requested at least two days before the meeting. Requests should be emailed to mac@scmetro.org or submitted by phone to the Administrative Specialist at 831-426-6080. Requests made by mail (sent to the Administrative Specialist, Santa Cruz METRO, 110 Vernon Street, Santa Cruz, CA 95060) must be received at least two days before the meeting. Requests will be granted whenever possible and resolved in favor of accessibility.

Public Comment

If you wish to address the Committee, please follow the directions at the top of the agenda. If you have anything that you wish distributed to the Committee and included for the official record, please include it in your email. Comments that require a response may be deferred for staff reply.

Pursuant to Section 54954.2(a)(1) of the Government Code of the State of California, this agenda was posted at least 72 hours in advance of the scheduled meeting at a public place freely accessible to the public 24 hours a day. The agenda packet and materials related to an item on this agenda submitted after distribution of the agenda packet are available for public inspection in the Santa Cruz METRO Administrative Office (110 Vernon Street, Santa Cruz, CA 95060) during normal business hours. Such documents are also available on the Santa Cruz METRO website at www.scmetro.org subject to staff's ability to post the document before the meeting.

COMMUNICATIONS TO METRO ADVISORY COMMITTEE

From: [REDACTED]
To: [Donna Bauer](#); [boardinquiries](#); [MAC](#)
Subject: Rebecca Downings Nextdoor question: What would make it easier for you to ride the bus?
Date: Sunday, April 12, 2026 10:27:17 AM

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This message came from outside your organization.

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To the SC Metro Board, Santa Cruz County Regional Transportation Commission and the Elderly and Disabled Transportation Advisory Committee,

Thank you for soliciting public input on unmet transit and paratransit needs. I am submitting comments from the perspective of a daily Highway 1 commuter, local transportation advocate, and founder of C.O.A.S.T. (Community Oversight for Accountable, Sustainable Transportation). My comments address both the practical barriers that prevent choice riders from using transit and the structural service gaps that affect transit-dependent residents. The data I reference below comes directly from Metro's own Q2 FY25 KPI Report presented to the Board of Directors on February 28, 2025.

WHY PEOPLE DON'T RIDE THE BUS: THE HONEST LIST

Public agencies rarely say this plainly, so I will. The following are the real, documented reasons choice riders — people who have access to a car — do not use Metro, and why fare prices and marketing campaigns have not changed that calculus:

1. Total trip time is prohibitive. I drive from Capitola to Watsonville in approximately 12 minutes. The equivalent bus trip — walk to stop, wait, ride, potentially transfer, walk to destination — takes 45 to 75 minutes or more. For anyone with children, a job, or time constraints, that gap is not bridgeable by goodwill toward transit. Headways of 20 to 30 minutes on core corridors mean a missed bus is a 20-to-30-minute penalty on top of an already long trip.

2. First and last mile connectivity is unsolved. Bus stops are frequently a quarter to a half mile or more from trip origins and destinations. For an able-bodied rider with nothing to carry in good weather, this is manageable. For an elderly rider, a disabled rider, someone with groceries, medical equipment, a child, work tools, or a bicycle that won't fit on a full rack — it is a dealbreaker.

3. Reliability is insufficient for trip-chaining. Most adults are not making single-purpose trips. They are going to work, then the pharmacy, then picking up a child, then the grocery store. A car handles trip-chaining seamlessly. A bus system with 20-to-30-minute headways and routes that don't connect those destinations in sequence does not.

4. The passenger environment is a documented operational reality — not a perception problem. Metro's own Q2 FY25 KPI Report records 52 passenger incidents in a single quarter — boarding, on-board, and alighting — putting the system on pace to significantly exceed the 134-incident annual average. More tellingly, Metro's pass-up data shows that 11.3% of all

COMMUNICATIONS TO METRO ADVISORY COMMITTEE

fixed-route pass-ups are categorized as Intoxicated/Belligerent/Biohazard, and Metro explicitly lists hygiene as a routine pass-up reason alongside smoking, vaping, and no shoes. A veteran Metro bus driver wrote publicly that "there are a lot of upset or agitated people who ride the bus on a regular basis" — her words, not mine, after 17 years behind the wheel. These are not anecdotal complaints from non-riders. They are Metro's own operational metrics, presented to its own board. Declining to acknowledge them in transit planning documents does not make them less real to the choice rider considering whether to leave their car at home.

5. Cargo and carrying capacity. You cannot bring a week of groceries, a surfboard, construction tools, a stroller, a wheelchair that doesn't fold, a pet, or most of the physical materials of daily life onto a bus. For residents who need to transport goods as part of their daily routine, the bus is simply not a functional option regardless of frequency or price.

6. Free fares did not convert choice riders. Metro eliminated fares and ridership among choice riders did not surge. This is important data. Price was not the primary barrier. Time, reliability, and experience are — and those require structural service changes, not just subsidies.

7. The network serves UCSC commute patterns, not county resident patterns. Metro's own KPI data confirms that UCSC routes account for 56.5% of all systemwide passenger pass-ups — 403 pass-ups on UCSC routes in Q2 FY25 alone, up 241.5% year over year, with 82.4% due to full bus capacity. The system is being overwhelmed by UCSC demand. Meanwhile, local routes — serving actual county residents traveling to healthcare, employment, and services — account for just 2.5% of pass-ups with 87.5% of those caused by behavioral issues rather than capacity. The route network reflects this imbalance: service is concentrated on corridors and schedules that serve campus commute times, leaving residents in Aptos, Live Oak, Scotts Valley, and South County poorly served for their actual travel needs.

8. The ridership productivity data reveals who the system is actually built for. Metro's Q2 FY25 KPI report shows combined UCSC passengers per service hour at **45.6** — more than double the systemwide average of 20.9, and more than four times the local route average of 9.7. In transit planning terms, UCSC routes are by far the most "productive" in the system. But productivity metrics measure utilization, not equity. A system optimized around a single institutional user that generates 45.6 passengers per hour on its routes — while contributing less than 8% of operating costs and nothing toward capital — is not a regional public transit system. **It is a university shuttle operation funded by county taxpayers. The RTC's 2050 Regional Transportation Plan should explicitly address this structural misalignment rather than planning around it as if it were a natural feature of the county's transit landscape**

SPECIFIC UNMET NEEDS

1. Reliable, frequent service on the Highway 1 corridor between Watsonville and Santa Cruz. The AM and PM congestion patterns on this corridor are well documented from firsthand daily observation. Northbound congestion begins at Freedom Boulevard between approximately 7:30 and 9:30 AM, backing up toward Mar Monte Avenue. Southbound

COMMUNICATIONS TO METRO ADVISORY COMMITTEE

congestion begins near Soquel Drive around 3:00 PM, clearing near Rio Del Mar by approximately 7:00 PM. Bus-on-shoulder is a step forward, but buses sharing the same congestion corridor do not offer a meaningful time advantage over driving during peak periods. Express service with limited stops and guaranteed travel time is the missing piece.

2. Meaningful Scotts Valley and Summit corridor service. Scotts Valley residents have essentially no viable transit option to Santa Cruz or employment centers. This is a significant equity and congestion gap.

3. Late-night and early-morning service for healthcare and service workers. Many of the county's most transit-dependent workers — healthcare aides, hospitality workers, agricultural workers — work shifts that begin before 6:00 AM or end after 10:00 PM. Current service hours do not accommodate them.

4. Medical appointment connectivity for elderly and disabled residents. Lift Line and ParaCruz serve a critical function but face documented capacity constraints. Metro's own KPI data shows ParaCruz cost per trip has risen to \$96 in Q2 FY25 — up \$21 over the prior year — driven in part by a 14.6% decline in trips due to the outsourced eligibility process producing fewer qualified applicants. A missed connection for a dialysis or cancer treatment patient is not a minor inconvenience. It is a health crisis. The eligibility barrier deserves immediate review.

5. Trip-chaining routes. Service connecting major residential areas to grocery stores, pharmacies, healthcare facilities, and employment centers in a single route or timed transfer — not just downtown Santa Cruz — would serve county residents far better than the current hub-and-spoke model.

6. Capacity on UCSC routes — or a fundamental restructuring of who pays for it. Metro's KPI data shows 403 UCSC pass-ups in Q2 FY25 alone, a 241.5% increase year over year. Buses are being passed full. Yet UCSC contributes less than 8% of Metro's operating costs and nothing toward capital, while UCSC routes represent 56.5% of all systemwide pass-ups. Adding service hours to accommodate UCSC demand without requiring the university to fund those hours is not a transit solution. It is a county subsidy to a billion-dollar institution.

The RTC should formally ask whether UCSC would consider operating dedicated shuttle service connecting campus to primary student neighborhoods — a model already in practice at Stanford, UC San Diego, and dozens of major research universities — as a condition of regional transportation planning support for the university's 2040 growth scenario.

7. Load data transparency by trip, not just VMT. Metro's KPI report tracks total ridership and ridership per hour but does not publish boarding and alighting data by individual trip departure. A route that runs full at 8:00 AM and empty at 10:00 AM tells a very different resource allocation story than aggregate boardings suggest. This granular data should inform frequency decisions and be made publicly available.

A STRUCTURAL OBSERVATION FOR THE RECORD

Metro's own Q2 FY25 data tells a story the agency rarely states plainly in public:

COMMUNICATIONS TO METRO ADVISORY COMMITTEE

Traffic accidents are up 107.7% year-over-year, with the YTD total of 109 already exceeding the full three-year annual average of 105 — with two quarters still remaining in the fiscal year. The COO flagged this trend as "concerning" at the February board meeting, attributing it to 100+ new operators. Passenger incidents are running at 92 YTD through Q2 — on pace to significantly exceed the 134-incident annual average. Pass-ups systemwide have reached 957 YTD, with UCSC routes accounting for 541 of them.

These metrics describe a system under significant operational strain — expanded rapidly through the Reimagine Metro program using one-time TIRCP grant funding that expires in 2027, with a structural deficit projected to reach \$18 million once those funds are gone.

The unmet needs framework assumes the current service model is the correct foundation and asks what is missing at the margins. I would encourage the RTC to also ask a more fundamental question: does Metro's current route structure, frequency distribution, and coverage actually match where Santa Cruz County residents — not UCSC students — live, work, and access services? And is the system being expanded at a pace and scale that its safety, reliability, and financial metrics can actually support?

County residents who are transit-dependent — elderly, disabled, low-income, those without vehicles — deserve a system optimized around their actual travel patterns, operated safely, and funded sustainably. The data suggests we are not there yet.

Thank you for including these comments in the public record.

Sincerely,

Kevin Maguire

Santa Cruz County Resident

Founder, C.O.A.S.T. (Community Oversight for Accountable, Sustainable Transportation)

MINUTES*

MAC MEETING OF FEBRUARY 18, 2026



The METRO Advisory Committee (MAC) met on Wednesday, February 18, 2026. The meeting was held as a hybrid meeting. *Minutes are “summary” minutes, not verbatim minutes.

1 **CALLED TO ORDER** at 6:08 PM by Chair de Wit.

2 **SAFETY DEBRIEF**

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

3 **ACKNOWLEDGE NEW MAC MEMBER**

Chair de Wit welcomed Curtis Halpin to the METRO Advisory Committee.

4 **ROLL CALL**

Veronica Elsea announced she is participating remotely using just cause due to medical reasons. The following MAC Members were **present**, representing a quorum:

Jessica de Wit, Chair
Becky Taylor, Vice Chair
James Cruse
Veronica Elsea

Curtis Halpin
Joseph Martinez
Michael Pisano

5 **COMMUNICATIONS TO THE METRO ADVISORY COMMITTEE**

Mr. Martinez inquired about the Headways being retired. Margo Ross, Chief Operations Officer, confirmed that the last Headways will be published in Spring 2026. Michael Bois, Communications and Marketing Manager, added that METRO will be adding route-specific guides to bus shelters and Customer Service booths during this transition. Ms. Elsea asked what the plan is for tourists. Mr. Bois mentioned that in addition to the route guides, there will be the Transit App and online tools available for trip planning. Mr. Pisano asked if QR codes will be available on the buses, bus shelters, and Customer Service booths to get the Transit App. Mr. Bois said the QR codes are currently in the Headways and in the Spring, we will use car cards on the buses to further promote the Transit App. With 700 bus shelters, the initial effort will probably be at the major bus shelters. Mr. Martinez asked who owns the downtown trolley and if it is still operated. Chair de Wit responded that the City of Santa Cruz owns that and it is not currently being utilized.

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

6 **RECEIVE AND FILE MINUTES FROM THE METRO ADVISORY COMMITTEE MEETING OF OCTOBER 15, 2025**

Ms. Elsea suggested amending the minutes on Item 8 to reflect that riders didn’t always know where to catch the fair bus and the Committee’s hope to improve on that in 2026.

There were no public comments.

MOTION: ACCEPT AND FILE THE MINUTES FROM THE METRO ADVISORY COMMITTEE MEETING OF OCTOBER 15, 2025, AMENDING ITEM 8 AS STATED ABOVE.

MOTION: ELSEA

SECOND: PISANO

MOTION PASSED WITH 5 AYES: de Wit, Elsea, Halpin, Martinez and Pisano. Members Cruse and Taylor were absent.

7 COMMUNICATIONS FROM THE METRO ADVISORY COMMITTEE

Ms. Elsea mentioned that she gave her semi-annual update to the Board of Directors on December 19, 2025 and provided an overview of the items covered and that it was well received by the Board Members.

There were no public comments.

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

Chair de Wit announced that Item 12 will be heard before Item 8.

8 RECAP OF SANTA CRUZ COUNTY WEEK WITHOUT DRIVING 2025

Rebecca Downing, Board of Directors' Chair, spoke to her presentation and provided background on how the program was started and slowly grew into a national campaign. She provided her philosophy on the campaign and getting elected politicians to engage in this experience so when they write legislation, they have this lived experience. 2025 was the first year of promoting this campaign within Santa Cruz County and it involved multiple sponsors, including METRO. Several local events were attended to encourage public participation. She mentioned that planning for 2026 is underway and provided MAC members with ways in which they can participate.

MAC members thanked her for the update.

There were no public comments.

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

9 INTRODUCTION OF BOBI WOOD, MOBILITY TRAINING COORDINATOR

Michael Bois, Communications and Marketing Manager, introduced Bobi Wood to MAC and mentioned her involvement in the community. Ms. Wood spoke about projects/events she is involved in.

Ms. Elsea suggested implementing a "Buddy System" with the senior population. She also mentioned meeting Ms. Wood in December and discussing the challenges of a visually impaired person with a dog. She thanked Ms. Wood for her time and said Ms. Wood was doing a great job.

There were no public comments.

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

10 UPDATE ON THE STATUS OF THE NEW METRO WEBSITE AND APPS

Mr. Bois reported on the updates to the Splash Pass and Transit App. He also reported that the new website went live and requested any feedback be directed to staff. Ms. Elsea said she is having trouble navigating the website. Mr. Bois said the Customer Service team is available from 8:00 AM to 5:00 PM seven days a week (except holidays) to help and he also offered a one-on-one session.

There were no public comments.

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

11 UPDATE ON OPERATIONS

Margo Ross, Chief Operations Officer, provided an update. METRO currently has 18 fuel-cell buses in service and they are working well. METRO starts construction tomorrow on the permanent fueler. We hope to have it commissioned in July and using it in August. We have one 60' articulated bus from New Flyer and training has begun for the Bus Operators. We have six more buses in production.

Mr. Martinez asked where the temporary fueler will be moved to in Watsonville. COO Ross said it would be located at the Beach Street property METRO purchased last year.

There were no public comments.

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

12 SERVICE PLANNING UPDATE

a. Quarterly Ridership Report

John Urgo, Chief Planning and Innovation Officer, stated that Clever Devices lost some of METRO's ridership data for July and August but it has now been recovered. METRO also lost its Data Analyst in October, so METRO is missing three quarters of ridership reports. We've hired a Transportation Planner I and he will work to get the ridership reports restored.

b. Bus Stops

b.i. Update on Braille Bus Stop Signage

There were no updates.

b.ii. Update on Rapid Corridors Project

The funding awarded for the project has been secured. METRO is going with a baseline funding agreement with Caltrans so it can receive \$13.8 million awarded on a competitive grant from the state. METRO is matching that with funding received in 2023 from the Transit and Intercity Rail Capital Program. Recently, METRO was awarded funding from the Affordable Housing and Sustainable Community grant that is funding the redevelopment of the Watsonville Transit Center with affordable housing, transit signal priority, and bus stop upgrades. Going forward, we will be focusing on developing the design process for this project.

c. Other Projects

c.i. Update on Reimagine METRO

Mr. Urgo mentioned that METRO stopped making service changes for the last two quarters. Ridership is up 43% since we started the implementation of Reimagine METRO and is approaching 5 million rides per year. This project was funded with state money received in 2024 that provided three years of operating capacity to run Reimagine METRO. We are hoping to put a sales tax measure on the November 2026 ballot to sustain and grow that service.

c.ii. Update on River Front Transit Center

Mr. Urgo reported additional shelters were placed by METRO's Facilities Maintenance team.

c.iii. Update on Pacific Station North

Mr. Urgo reported that Pacific Station North is moving along and we are working on design issues with the tarmac and solar array canopy. It is scheduled to open in late 2026.

c.iv. Update on Watsonville Transit Center

Mr. Urgo mentioned the project is currently in the design process with MidPen Housing and going through the entitlement process with the City of Watsonville. The project is essentially fully funded.

Director Downing requested Mr. Urgo explain what the Rapid Corridor Project is for the benefit of the new MAC member. Mr. Urgo obliged.

There were no public comments.

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

13 COMMUNICATIONS TO THE METRO CEO/GENERAL MANAGER

Hearing none, Chair de Wit moved to the next agenda item.

14 COMMUNICATIONS TO THE METRO BOARD OF DIRECTORS

Hearing none, Chair de Wit moved to the next agenda item.

15 ITEMS FOR NEXT MEETING AGENDA

- Service Planning Updates
- Update on 2026 Week Without Driving
- Update on Website and Apps
- Update on Operations
- Update on SB707

16 DISTRIBUTION OF VOUCHERS

Vouchers were distributed by Donna Bauer, Sr. Executive Assistant.

17 ANNOUNCEMENT OF NEXT MEETING

Chair de Wit announced the next MAC meeting will be held on Wednesday, May 20, 2026, at 6:00 PM at the METRO Admin Office, 110 Vernon Street, Santa Cruz.

18 ADJOURNMENT

Chair de Wit adjourned the meeting at 7:15 PM.

Respectfully submitted,

Donna Bauer
Sr. Executive Assistant



DATE: May 20, 2025
TO: METRO Advisory Committee
FROM: Julie Sherman, General Counsel
SUBJECT: CONSIDERATION OF ADOPTING REMOTE METRO ADVISORY COMMITTEE (MAC) MEETINGS FOR MAC MEMBERS UNDER SB 707

I. RECOMMENDED ACTION

The METRO Advisory Committee (MAC) consider adopting remote MAC meetings for MAC Members under SB 707.

II. SUMMARY

- Senate Bill (SB) 707 provides that eligible subsidiary bodies (Government Code § 54953.8.6) may meet remotely when certain conditions are met.
- The METRO Board of Directors (Board) approved authorizing remote meetings for MAC pursuant to SB 707 on February 27, 2026.
- The Board and MAC will need to reaffirm this action every six months if adopted.

III. DISCUSSION/BACKGROUND

The Board determined at its February 27, 2026 meeting that MAC is eligible to meet remotely under Government Code § 54953.8.6 as long as the following conditions are or have been met:

- The Board must make findings (initial and every six months) that remote meetings enhance public access and improve attraction, retention, and diversity of committee members
- MAC votes to allow remote meetings
- A staffed in-jurisdiction physical location is open for public to access meeting from
- Members appear on camera
- Recommendations made in a remote setting must be discussed at a regular METRO Board meeting before action can be taken

The Board approved authorizing remote meetings for MAC should MAC want to adopt this process.

IV. STRATEGIC PLAN PRIORITIES ALIGNMENT

This request aligns with the following strategic priorities:
Strategic Alliances and Community Outreach

V. FINANCIAL CONSIDERATIONS/IMPACT

None.

VI. ALTERNATIVES CONSIDERED

MAC can consider not adopting this and continue holding the meetings in person.

VII. ATTACHMENTS

Attachment A: Presentation on SB 707

Prepared by: Donna Bauer, Sr. Executive Assistant

VIII. APPROVALS

Julie Sherman, General Counsel



Corey Aldridge, CEO/General Manager



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SENATE BILL 707 BROWN ACT AMENDMENT

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

MAY 20, 2026 METRO ADVISORY COMMITTEE MEETING

AGENDA

- Traditional Teleconferencing Requirements
- Alternative Teleconferencing Requirements
- Eligible Subsidiary Bodies (Advisory Committee)
- Eligible Legislative Bodies
- Additional Brown Act Updates

Traditional Teleconferencing Rules (Pre-Covid Requirements) [Gov't Code § 54953(b)]

The traditional Brown Act teleconferencing requirements remain unchanged by SB 707. Under this approach:

- Each teleconference location must be identified on the notice and agenda for the meeting.
- The agenda must be posted at each teleconference location.
- Each teleconference location must be open and accessible to the public.
- Members of the public must be allowed to participate in the meeting from each noticed teleconference location.
- A quorum of the Board must participate in the meeting from locations within Metro's boundaries.
- All votes must be by roll call vote.

Alternative Teleconferencing Rules (former AB 2449 Requirements) **[Gov't Code §§ 54953.8–54953.8.7]**

SB 707 clarifies and expands the former AB 2449 requirements.

Allows Board members to participate remotely without opening their physical location to the public (do not have to put Board member location on the meeting agenda) or posting an agenda at the location, for either:

- (1) just cause basis; or
- (2) state or local emergency basis.

Alternative Teleconferencing Rules (former AB 2449 Requirements) **[Gov't Code §§ 54953.8–54953.8.7]**

For all meetings held under these rules, the following requirements apply:

- Public participation via:
 - Two-way audiovisual platform (video for public may be disabled), or
 - Two-way telephonic service + live webcast
- Agency must provide remote access details and allow real-time public comment
- No advance-only public comments; real-time participation required
- If remote access is disrupted, no action until restored; actions during disruption can be challenged
- Minutes must list remote members and statutory basis for remote participation
- Remote members must disclose if adults (18+) are present and their relationship with such adults

1. Just Cause [Gov't Code § 54953.8.3]

These additional procedural requirements for participating remotely for "just cause" remain the same (as under AB 2449):

- Board members are limited to participating remotely under the just cause basis two times per calendar year because the Board regularly meets once per month.
- Board members must notify Metro of the reason; the meeting minutes must note the reason, and two-way audio/video is required.
- The substantive reasons for just cause remote participation include:
 - Caregiving for family
 - Contagious illness or health needs
 - Official agency travel
 - Physical/family medical emergencies
 - **Protecting an immunocompromised close relative from exposure to illness (new)**
 - **Military service obligations (new)**

2. State or Local Emergency **[Gov't Code § 54953.8.2]**

The Board may hold Board meetings remotely under the state or local emergency basis:

- Allowed when a state or local emergency is officially proclaimed under California law
- No physical location required for public attendance; meetings can use two-way telephonic service without webcast
- Board must vote to reauthorize remote meetings every 45 days while the emergency remains active

Eligible Subsidiary Bodies [Gov't Code § 54953.8.6]

SB 707 provides an avenue for the Advisory Committee to meet fully remotely, if the following conditions are met:

- Board must make findings (initial + every 6 months) that:
 - Remote meetings enhance public access and improves attraction, retention, and diversity of committee members
- Advisory Committee votes to allow remote meetings
- A staffed in-jurisdiction physical location is open for public to access meeting from
- Members appear on camera
- Recommendations made remotely must be discussed at a regular Metro Board meeting before action; cannot be on consent calendar

Disability Accommodation Carve-Out [Gov't Code § 54953(c)]

SB 707 exempts Board members who participate remotely as a reasonable accommodation for a disability (as defined by the Americans with Disabilities Act, 42 U.S.C. § 12102) from the traditional and alternative teleconferencing requirements. Instead, the following requirements apply:

- Remote participation as a reasonable accommodation under the Americans with Disabilities Act is treated as in-person for quorum and location requirements.
- The Board member must participate through both audio and visual technology, except if their disability requires off-camera participation.
- The Board member must disclose if any other individuals aged 18 years or older are present in the room at the remote location and their relationship to the Board member.

Eligible Legislative Bodies (Effective July 1, 2026) [Gov't Code § 54953.4]

Beginning July 1, 2026, certain very large local agencies are designated as “eligible legislative bodies” and must follow enhanced teleconferencing and transparency requirements, such as translation of agendas, closed captioning for remote platforms, and outreach to certain groups.

Metro does not fall within the definition of eligible legislative body and therefore these new requirements do not apply to Metro.

QUESTIONS?

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FY27 & FY28 Operating Budget Review

METRO Advisory Committee

May 20, 2026

Chuck Farmer, Chief Financial Officer

Overview of Today's Presentation

- Budget Assumptions
- FY27 Operating Budget
 - Summary
 - Changes from March 27 Board Meeting
 - Drivers
 - Revenue / Funding Sources
 - FTEs
- FY28 Operating Budget
- FY27–FY28 Operating Budget Risks
- FY27 Capital Budget/Portfolio
- FY27 & FY28 Additional Information

Budget Assumptions

Revenue

- Passenger Fares: Held Relatively flat, moderate decrease due to Tap to Pay
- Sales Tax / Measure D: 2.0% growth over the FY26 forecast
- Grants: TIRCP program expires in FY27, partially offset by AHSC and other grant funding

Expense

- Labor Cost: 3% COLA for FY27 only; contractual step and benefit increases
- Hydrogen fleet integration: Completion of the 53-bus hydrogen fleet rollout in FY27
- Fuel: Full transition to the Hydrogen fleet
- Tap to Pay: Increased software platform spend
- Ballot Initiative Education: Spend shifted from FY26/FY27 to FY28
- Bridge Loan Interest: No draw forecasted, eliminating budgeted interest expense
- Insurance (Property/Liability): Rate increase from CalTIP update

FY27 Operating Budget

FY27 Budget Summary

\$000's	FY26 Budget	FY27 Budget	Year over Year Change	Year over Year Change %
Operating Revenue				
Passenger Fares	\$ 3,962	\$ 3,863	(\$ 99)	(2.5%)
Special Transit Contracts	6,732	6,615	(118)	(1.7%)
Total Operating Revenues	\$ 10,694	\$ 10,477	(\$ 217)	(2.0%)
Operating Expense				
Labor - Regular	\$ 27,630	\$ 27,455	(\$ 175)	(0.6%)
Labor - OT	935	895	(40)	(4.2%)
Fringe	23,656	24,096	439	1.9%
Non-Personnel	19,153	20,708	1,555	8.1%
Total OpEx	\$ 71,374	\$ 73,154	\$ 1,780	2.5%
Operating Surplus/(Deficit)	(\$ 60,680)	(\$ 62,677)	(\$ 1,996)	3.3%
<i>Farebox/Contract Recovery</i>	<i>15.0%</i>	<i>14.3%</i>		
Non-Operating Revenue/(Expense)				
Sales Tax/including Measure D	\$ 30,536	\$ 32,522	\$ 1,987	6.5%
Federal/State Grants	26,309	27,947	1,638	6.2%
TIRCP Grant	9,123	7,433	(1,690)	(18.5%)
Retiree Obligations	(4,992)	(5,355)	(363)	7.3%
Pension Bond Payment	(4,181)	(4,148)	34	(0.8%)
Pension UAL	(1,316)	(2,125)	(809)	61.5%
All Other	1,188	1,744	556	46.8%
Total Non-Operating Revenue	\$ 56,667	\$ 58,019	\$ 1,352	2.4%
Operating Surplus/(Deficit) before Transfers	(\$ 4,014)	(\$ 4,658)	(\$ 644)	16.1%

- Operating expense growth driven primarily by Hydrogen fuel from full fleet integration; partially offset by lower Professional/Technical Fees from the Ballot Initiative spend shift and lower Outside Repair Revenue Vehicle
- Sales Tax and grant gains partially offset by TIRCP program ending

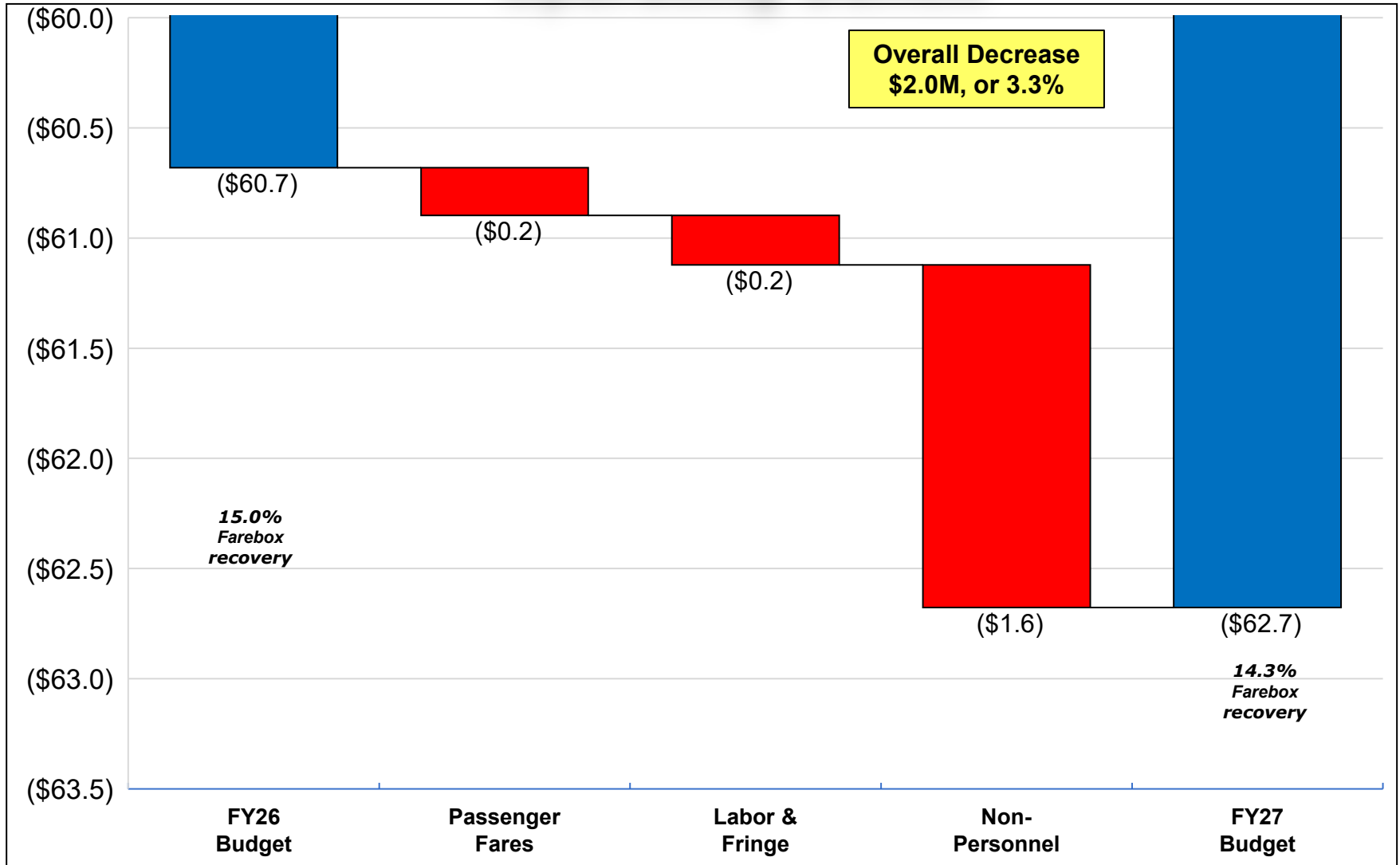
Changes from March 27, 2026 Board Meeting

\$ 000's	FY27 Budget	Comments
PRESENTED - MARCH 27, 2026 BOARD MEETING:		
Prior Year Operating Loss	\$ (4,014)	
Changes*	<u>(3,114)</u>	Change Presented at March Board Meeting*
Presented Operating Loss	\$ (7,128)	
CHANGES SINCE MARCH BOARD MEETING:		
Tap to Pay	(215)	Revenue Capping and Software Cost
Insurance (Property/Liability)	(240)	CalTIP Update
Open Positions (27) Closed	3,270	
Pay Increase @ 3%	(1,089)	FY27 Only
Deloitte Audit & Temp Help	235	Workday Final Audit; Completed in FY26
Ballot Initiative Education	380	Spend Shifted to FY28
Bridge Loan Interest	347	Forecasted not to Draw Funding
IT Software Systems	42	FY28 Includes \$233K Increase for Hastus
Outside Repair for Revenue Vehicles	(503)	
Employee Related Expenses	106	
Other	<u>137</u>	
Subtotal Changes	<u>\$ 2,470</u>	
Budget Operating Loss	<u>\$ (4,658)</u>	

* See Change Detail in Appendix slide #30

FY26-FY27 Budget Drivers of Operating Deficit

\$ in millions



8.7

FY26-FY27 Drivers of Non-Operating - Revenue/Expense

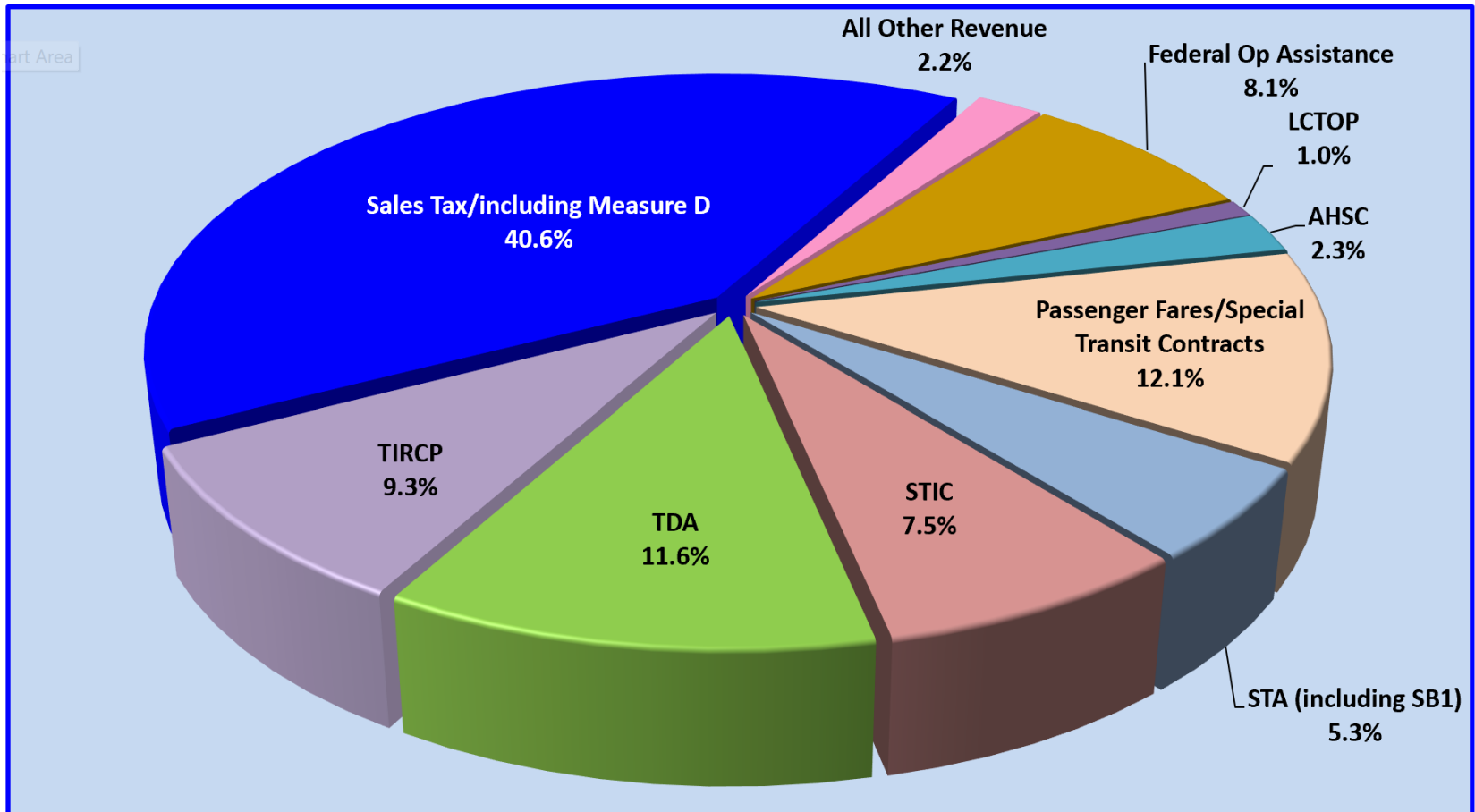
\$ in millions



FY27 Budget Income – Funding Source

\$ in millions

Operating Revenue total - \$80.1M*



Sales Tax/including Measure D	32.5	LCTOP	0.8	STIC	6.0
TIRCP	7.4	Passenger Fares/Special Transit Contracts	9.7	TDA	9.3
Federal Op Assistance	6.5	STA (including SB1)	4.2	All Other Revenue	1.7
AHSC	1.8			Total	\$ 80.1

* Numbers may not foot due to rounding

8.9

FY26 – FY28 FTE Budget

Position Title	FY26	FY27	FY28
	Budget	----- May 2026 Budget Proposal -----	
Administration - 1100	3.0	3.0	3.0
Finance - 1200	9.0	8.0	8.0
Customer Service - 1300	9.0	8.0	8.0
Marketing - 1325	4.0	4.0	4.0
Human Resources - 1400	7.0	6.0	6.0
Information Technology - 1500	6.0	6.0	6.0
Planning, Grants, Governmental Affairs - 1600	6.0	6.0	6.0
District Counsel - 1700	0.0	0.0	0.0
Safety, Security, and Risk Management - 1800	2.0	2.0	2.0
Purchasing - 1900	4.5	3.5	3.0
Inventory Mgmt - 2000	5.0	5.0	5.0
Facilities Maintenance - 2200	17.0	17.0	17.0
Paratransit - 3100	49.0	48.0	48.0
Operations - 3200*	25.0	22.0	22.0
Bus Operators - 3300	220.0	203.0	203.0
Fleet Maintenance - 4100	47.0	45.0	45.0
Total Full-Time Equivalents (FTEs)	413.5	386.5	386.0
YoY Change		(27.0)	(0.5)

- 27 position reduction from FY26 to FY27, driven primarily by Bus Operators (17)
- Reductions reflect efficiency analysis and unfunded vacancies
- Headcount essentially flat from FY27 to FY28

* FY26 Budget includes one mid-year headcount approved by the Board

FY26 – FY27 Budget FTE Changes

FY26 Budgeted FTE Headcount	413.5 *
Unfunding	
Senior Financial Analyst/Financial Analyst - Finance 1200	(1.0)
Customer Service Representative - Customer Service 1300	(1.0)
HR Analyst I / II - Human Resources 1400	(1.0)
Contracts & Purchasing Deputy Director - Purchasing 1900	(1.0)
Van Operator - Paratransit 3100	(1.0)
Transit Supervisor* - Operations 3200	(2.0)
Safety & Training Coordinator - Operations 3200	(1.0)
Mechanic I - II - Fleet Maintenance 4100	(1.0)
Vehicle Service Worker I - II - Fleet Maintenance 4100	(1.0)
Bus Operators - Bus Operators 3300	(17.0)
Sub Total	<u>(27.0)</u>
Funding (None)	0.0
Net FTE Change	(27.0)
FY27 Budget FTE Headcount	<u><u>386.5</u></u>

8.11

* FY26 Budget includes one mid-year headcount approved by the Board

FY28 Operating Budget

FY28 Budget Summary

\$000's	FY27 Budget	FY28 Budget	Year over Year Change	Year over Year Change %
Operating Revenue				
Passenger Fares	\$ 3,863	\$ 3,927	\$ 65	1.7%
Special Transit Contracts	6,615	6,814	199	3.0%
Total Operating Revenues	\$ 10,477	\$ 10,741	\$ 264	2.5%
Operating Expense				
Labor - Regular	\$ 27,455	\$ 28,173	\$ 718	2.6%
Labor - OT	895	982	87	9.7%
Fringe	24,096	25,273	1,177	4.9%
Non-Personnel	20,708	22,869	2,161	10.4%
Total OpEx	\$ 73,154	\$ 77,297	\$ 4,143	5.7%
	Operating Surplus/(Deficit)	(\$ 62,677)	(\$ 3,879)	6.2%
	<i>Farebox/Contract Recovery</i>	<i>14.3%</i>	<i>13.9%</i>	
Non-Operating Revenue/(Expense)				
Sales Tax/including Measure D	\$ 32,522	\$ 33,173	\$ 650	2.0%
Federal/State Grants	27,947	27,854	(93)	(0.3%)
TIRCP Grant	7,433	-	(7,433)	100.0%
Retiree Obligations	(5,355)	(5,786)	(432)	7.5%
Pension Bond Payment	(4,148)	(4,147)	0	(0.0%)
Pension UAL	(2,125)	(2,608)	(483)	18.5%
All Other	1,744	1,256	(488)	(38.9%)
	Total Non-Operating Revenue	\$ 49,741	(\$ 8,278)	(14.3%)
	Operating Surplus/(Deficit) before Transfers	(\$ 16,815)	(\$ 12,157)	261.0%

- Operating expense growth driven by contractual step and benefit increases, full-year hydrogen fuel costs, and Ballot Initiative spend returning
- Final TIRCP drawdown occurs in FY27, leaving \$0 in FY28; Pension UAL and Retiree Obligations continue to grow

Changes from March 27, 2026 Board Meeting

\$ 000's	FY28 Plan	Comments
PRESENTED - MARCH 27, 2026 BOARD MEETING:		
Prior Year Operating Loss	\$ (7,128)	
Changes*	<u>(10,410)</u>	Change Presented at March Board Meeting*
Presented Operating Loss	\$ (17,538)	
CHANGES SINCE MARCH BOARD MEETING:		
TDA Revenue	186	Full Share Allocation
Tap to Pay	(211)	Revenue Capping and Software Cost
Insurance (Property/Liability)	(425)	CalTIP Update
Open Positions (27) Closed	3,457	
Pay Increase @ 3%	(1,110)	FY27 Only
Ballot Initiative Education	(623)	Spend Shifted to FY28
IT Software Systems	(248)	FY28 Includes \$233K Increase for Hastus
Outside Repair for Revenue Vehicles	(492)	
Employee Related Expenses	112	
Other	<u>77</u>	
Subtotal Changes	\$ <u>723</u>	
Budget Operating Loss	\$ <u>(16,815)</u>	

* See Change Detail in Appendix slide #30

FY27–FY28 Operating Budget Risks

FY27 & FY28 Operating Budget Risks (Revenue)

- Passenger Fares and Paratransit Fares: Fluctuations in Paid Ridership and Cancellation of Bus Trips
- Special Transit Fares: Change in Contracts
- Sales Tax and TDA/LTF: Consumer spending uncertain as inflation continues and the country faces a possible recession
- Measure D: Final allocation
- Federal FTA 5307, STIC, 5311: Subject to appropriation/reauthorization
- TIRCP Grant: Fully exhausted in FY27 with no replacement source identified
- AHSC Grant
- RTC and delegation of funding to Metro
- Economic downturn from recession
- Natural disaster such as fires, floods or earthquakes

FY27 & FY28

Operating Budget Risks (Expenses)

- Labor Negotiations: SEIU still outstanding, no contract in place starting in FY28
- Hydrogen Fuel: Cost volatility and bus filling efficiency
- Medical Insurance: Rates rising
- Workers Comp Insurance
- Property/Liability Insurance: Rates rising
- CalPERS Pension UAL
- Unfunded Positions: Operational pressure could require re-funding positions, eroding savings
- Aging Fleet: Increased maintenance costs
- Contract renewals and rebids: Costs could come in higher than budgeted
- Settlement Costs: Costs could come in higher than previous years
- Changes in unfunded mandates

FY27 Capital Budget/Portfolio

FY27 Capital Budget / Portfolio Summary

<i>\$000's</i>	FY27	Portfolio Total *
Construction Related Projects	\$ 14,380	\$ 47,915
IT Projects	750	750
Facilities Upgrades & Improvements	0	0
Revenue Vehicle Replacement	8,979	8,979
Revenue Vehicle Electrification Projects	0	0
Non-Revenue Vehicle Replacement	0	0
Fleet & Maintenance Equipment	326	326
Miscellaneous	500	1,000
Total	\$ 24,936	\$ 58,971

- Only projects with identified and approved funding are represented

FY26 Capital Budget / Portfolio Details

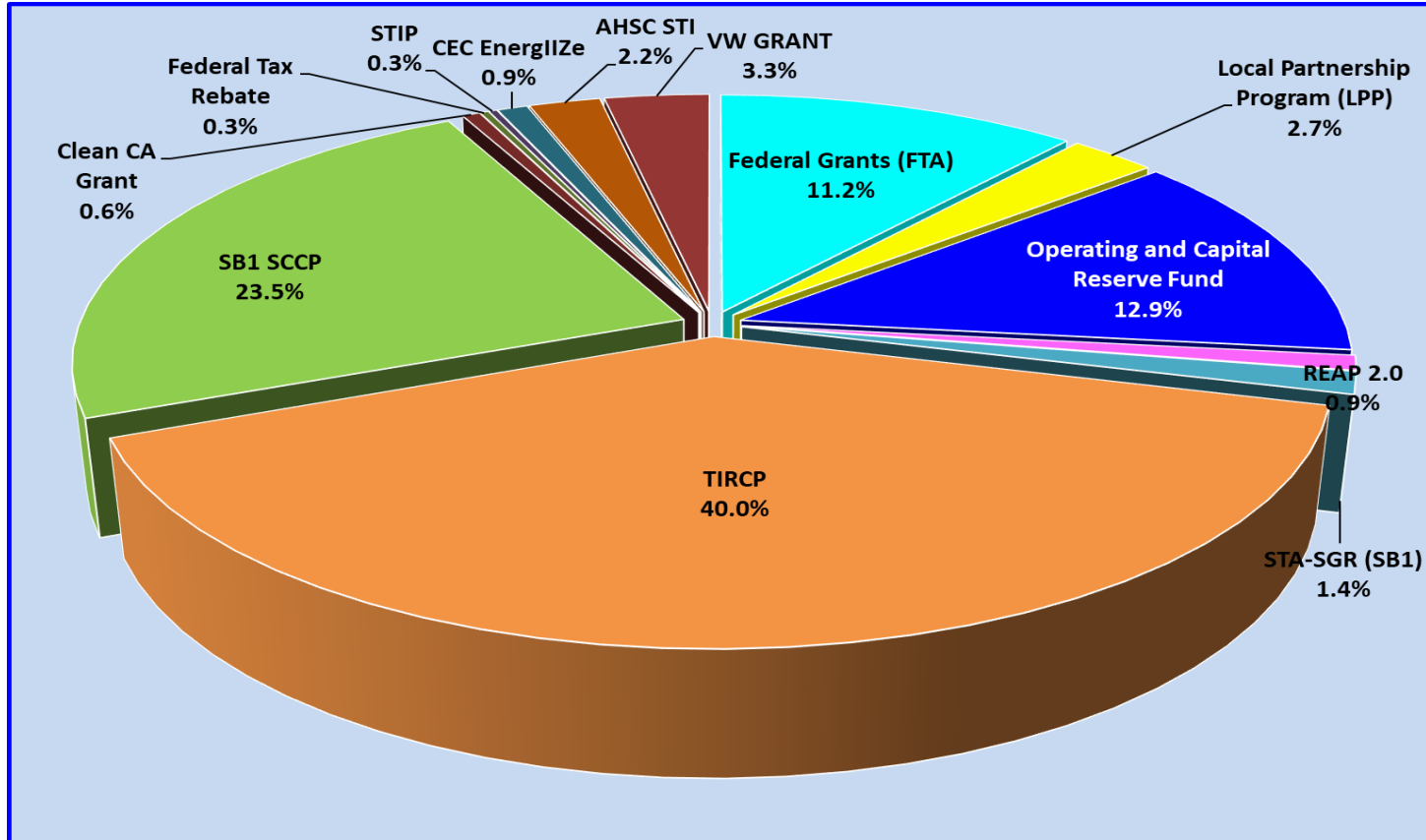
\$000's	Project	FY27 Budget	FY27 and Beyond	Total Portfolio
<u>Construction Related Projects</u>				
	Pacific Station Redevelopment	\$ 500	\$ 0	\$ 500
	Bus Rapid Enhancements	1,500	25,488	26,988
	Watsonville Parking Lot	1,249	0	1,249
	Watsonville Station Development	987	8,047	9,034
	Hydrogen Fueling Station	8,203	0	8,203
	Temporary Hydrogen Fueling Station	1,941	0	1,941
	Total Construction Related Projects	\$ 14,380	\$ 33,535	\$ 47,915
<u>IT Projects</u>				
	Contactless Fare Payment Systems	\$ 250	\$ 0	\$ 250
	Hastus Upgrade by Cshed	500	0	500
	Total IT Projects	\$ 750	\$ 0	\$ 750
<u>Revenue Vehicles</u>				
	9 - 60" Hydrogen Fuel Cell Buses	\$ 7,539	\$ 0	\$ 7,539
	8 - Paracruz Vans	1,440	0	1,440
	Total Revenue Vehicles	\$ 8,979	\$ 0	\$ 8,979
<u>Fleet & Maint Equipment</u>				
	Real-time Passenger Information Display	\$ 326	\$ 0	\$ 326
	Total Fleet & Maint Equipment	\$ 326	\$ 0	\$ 326
<u>Miscellaneous</u>				
	Capital Contingency	\$ 500	\$ 500	\$ 1,000
	Total Miscellaneous	\$ 500	\$ 500	\$ 1,000
	Total Capital Projects	\$ 24,936	\$ 34,035	\$ 58,971

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FY27 Capital Budget/Portfolio* Funding Source

\$ in millions

Portfolio total - \$59M



Federal Grants (FTA)	6.6	REAP 2.0	0.5	TIRCP	23.6
Local Partnership Program (LPP)	1.6	STA-SGR (SB1)	0.8	AHSC STI	1.3
Operating and Capital Reserve Fund	7.6	Clean CA Grant	0.3	VW GRANT	<u>1.9</u>
SB1 SCCP	13.8	Federal Tax Rebate	0.2	Total \$ 59.0	
STIP	0.2	CEC EnergIze	0.6		

* Projects that are funded and may or may not have yet been started. All commitments from the prior year rollover into the new year.

FY27 & FY28 Additional Information

Board Authorized METRO Public Support Activities

4th of July Parades - Scotts Valley, Aptos, & Watsonville	Touch a Truck- Santa Cruz, Scotts Valley
Leadership Santa Cruz	County School Events & Open Houses
Earth Day Event - Downtown Santa Cruz & Watsonville	Family Fun Day
Stuff the Bus Events	Fall Carnival - Soquel Elementary
Back to School Nights	Week without Driving - Free Fares
Career/Job Fairs - Scotts Valley High School, Hartnell, Pajaro Valley High School	Veg Fest - Watsonville
Transition and Resource Fairs - ParaCruz Event, Santa Cruz, Watsonville, Pajaro Valley	MidTown Fridays - Santa Cruz
Farmers Market Events	Wharf to Wharf
Trunk or Treat (Soquel/Santa Cruz, County Fair Grounds & Downtown Watsonville)	Trades Day
Youth Cruz Free Events – school outreach, events, etc. Grades K – 12	Watsonville Strawberry Festival
ParaCruz Senior Events	Sustainable Transportation Fair- UCSC
Transit Equity Day	Transit Month - September
Downtown Santa Cruz Kids Day	Vista Center for the Blind
Health Fairs- Watsonville, Santa Cruz	Veterans Day
Santa Cruz County Fair Special Route to Fairgrounds & Free Fares to the Fairgrounds	

Dues & Memberships

<u>Department</u>	<u>Details of Spending</u>	<u>FY27</u>	<u>FY28</u>
Admin	HYDROGEN FUEL CELL BUS COUNCIL DC	\$2,000	\$2,100
	APTA	45,022	47,273
	CALACT	1,235	1,315
	ChatGPT Subscription \$20/month	240	252
	Community Transportation Assn of America (CTAA)	4,629	4,860
	CTA	20,000	22,429
	CTE	5,000	6,230
	Monterey Bay Economic Partnership (MBEP)	5,100	5,355
	Santa Cruz Chamber of Commerce - UPGRADED MEMBERSHIP	3,000	3,000
	The Bus Coalition	8,500	9,104
	The Pajaronian	73	77
	The Santa Cruz Sentinel	179	188
	ZEBRA	3,500	3,738
		Subtotal	\$98,478
Finance	CSMFO Membership (2@ \$150)	\$300	\$300
	GFOA Membership	280	294
	Payroll Supervisor membership	500	500
	Subtotal	\$1,080	\$1,094
Customer Service	Transportation Research Board, ATI Misc Mobility/CS Organizations	\$510	\$536
	Subtotal	\$510	\$536
Human Resources	LIEBERT CASSIDY WHITMORE	\$4,575	\$4,575
	CalChamber	1,008	1,058
	CALPELRA (memberships)	1,186	1,245
	John Dash	810	810
	NCHRA (1 membership)	593	623
	Subtotal	\$8,172	\$8,311

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Memberships - Continued

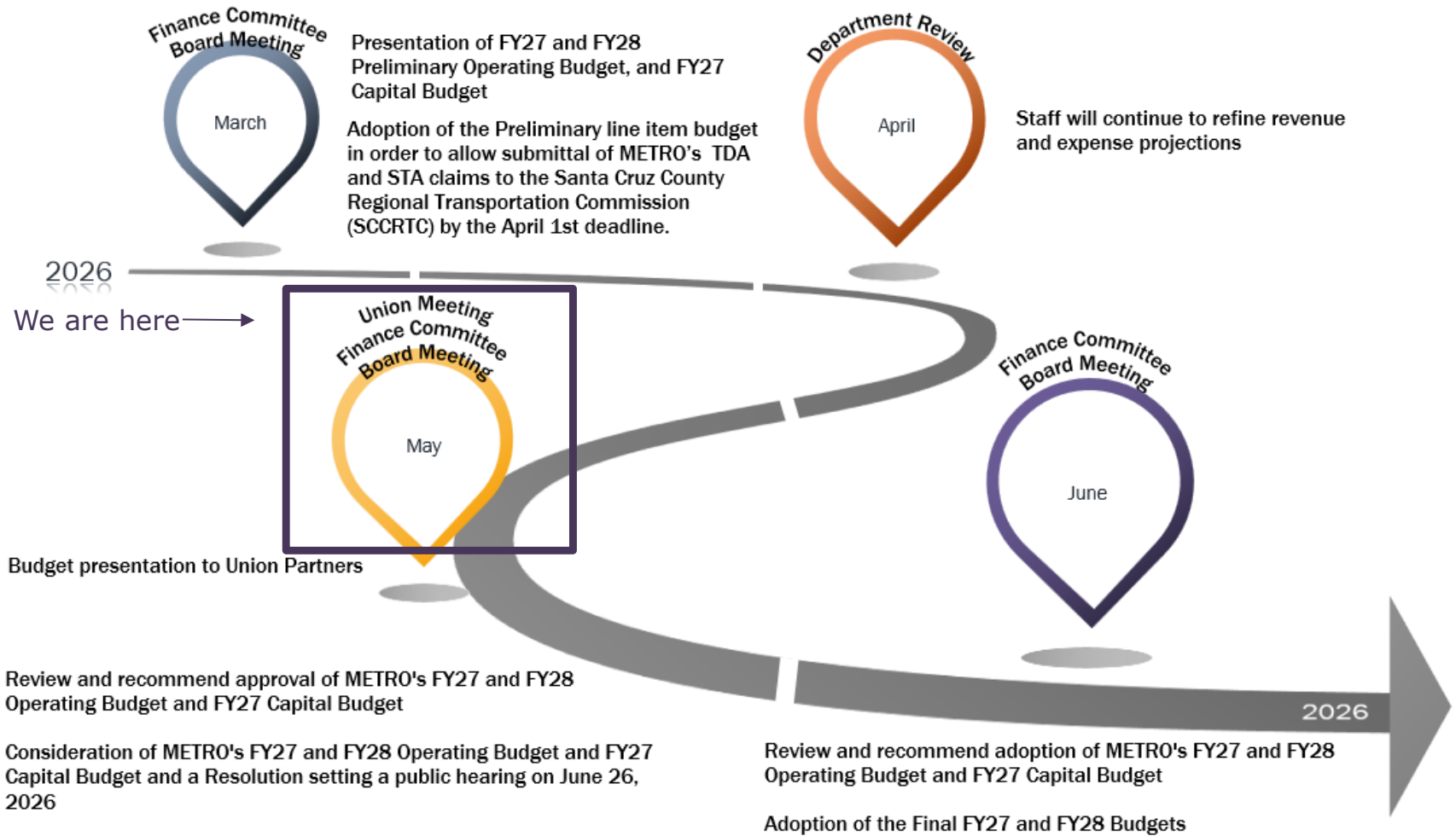
<u>Department</u>	<u>Details of Spending</u>	<u>FY27</u>	<u>FY28</u>
Grants	Professional Associations	\$1,850	\$1,993
	Subtotal	\$1,850	\$1,993
Safety, Security & Risk	CSP Renewal and Center for Hydrogen Safety Membership	\$15,700	\$15,700
	Subtotal	\$15,700	\$15,700
Purchasing	Amazon prime	\$142	\$142
	Cappo annual fees (3 @145 each)	435	435
	Costco	195	195
	Subtotal	\$772	\$772
Inventory Management	Cappo membership	\$150	\$150
	Subtotal	\$150	\$150
Paratransit	WTS	\$1,600	\$1,600
	Subtotal	\$1,600	\$1,600
Fleet	NOREGON SYSTEMS, LLC.	\$2,730	\$2,867
	RA AUTOMOTIVE SOFTWARE SOLUTIONS INC	1,575	1,654
	ALL DATA	1,158	1,216
	ALLISON TRANS. Software Yearly subscription renewal	2,310	2,426
	MITCHELL Online Vehicle Manuals	630	662
	CUMMINS Cummins INSITE Fleet books (6) software	1,600	1,600
	SCR TTC Membership for trainings	1,050	1,103
	ZEB Transmission software	1,155	1,213
	Subtotal	\$12,208	\$12,741
	Grand Total	\$140,520	\$148,818

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Employee Incentive Programs:

Event/Activity	FY27	FY28	Department
Welcome Kits for New Hires	\$1,700	\$1,700	Human Resources
Employee Incentive Events	1,020	1,071	Finance
	2,100	1,105	Customer Service
	2,500	2,500	Facilities
	2,500	2,500	Operation
	4,000	4,080	Fleet
	300	315	Purchasing
	750	750	Inventory Management
	15,000	15,000	Administration
Award	2,800	2,856	Para Cruz
	5,100	5,355	Fixed Route
	17,000	17,000	Administration
Bus Rodeo	20,000	20,000	Risk/Safety
Total	\$74,770	\$74,232	

Budget Timeline



Appendix

FY27 – FY28 Budget Summary **March Board Mtg**

\$000's	FY26 Budget	FY27 Budget	Year over Year Change	Year over Year Change %	FY28 Budget	Year over Year Change	Year over Year Change %
Operating Revenue							
Passenger Fares	\$ 3,962	\$ 4,017	\$ 55	1.4%	\$ 4,085	\$ 68	1.7%
Special Transit Contracts	6,732	6,615	(118)	(1.7%)	6,814	199	3.0%
Total Operating Revenues	\$ 10,694	\$ 10,632	(\$ 62)	(0.6%)	\$ 10,899	\$ 267	2.5%
Operating Expense							
Labor - Regular	\$ 27,630	\$ 28,349	\$ 719	2.6%	\$ 29,126	\$ 777	2.7%
Labor - OT	935	935	1	0.1%	982	47	5.0%
Fringe	23,656	25,361	1,705	7.2%	26,634	1,272	5.0%
Non-Personnel	19,153	20,797	1,644	8.6%	21,261	464	2.2%
Total OpEx	\$ 71,374	\$ 75,443	\$ 4,069	5.7%	\$ 78,003	\$ 2,560	3.4%
Operating Surplus/(Deficit)	(\$ 60,680)	(\$ 64,811)	(\$ 4,131)	6.8%	(\$ 67,104)	(\$ 2,293)	3.5%
<i>Farebox/Contract Recovery</i>	<i>15.0%</i>	<i>14.1%</i>			<i>14.0%</i>		
Non-Operating Revenue/(Expense)							
Sales Tax/including Measure D	\$ 30,536	\$ 32,522	\$ 1,987	6.5%	\$ 33,173	\$ 650	2.0%
Federal/State Grants	26,309	27,947	1,638	6.2%	27,668	(279)	(1.0%)
TIRCP Grant	9,123	7,433	(1,690)	(18.5%)	-	(7,433)	100.0%
Retiree Obligations	(4,992)	(5,355)	(363)	7.3%	(5,786)	(432)	7.5%
Pension Bond Payment	(4,181)	(4,148)	34	(0.8%)	(4,147)	0	(0.0%)
Pension UAL	(1,316)	(2,125)	(809)	61.5%	(2,608)	(483)	18.5%
All Other	1,188	1,408	220	18.5%	1,268	(141)	(11.1%)
Total Non-Operating Revenue	\$ 56,667	\$ 57,683	\$ 1,016	1.8%	\$ 49,566	(\$ 8,116)	(14.1%)
Operating Surplus/(Deficit) before Transfers	(\$ 4,014)	(\$ 7,128)	(\$ 3,114)	77.6%	(\$ 17,538)	(\$ 10,410)	146.0%
Transfers and Other							
Transfers to Capital/Bus Replacement/Sustainability Funds	(\$ 4,427)	(\$ 1,781)	\$ 2,646	(59.8%)	(\$ 1,822)	(\$ 42)	2.4%
(To)/From COVID Recovery Fund	8,441	8,909	468	5.5%	16,202	7,293	81.9%
Operating Surplus/(Deficit) after Transfers	-	\$ 0	\$ 0		(\$ 3,158)	(\$ 3,158)	100.0%

- Operating expenses growth, driven primarily by contractual step and benefit increases and conversion to higher cost hydrogen fueling.
- TIRCP program expected to finish in FY27

FY26 – FY28 Budget Walk down

As presented at **March 2026** Board Meeting

\$000's

Adopted FY26 Operating Surplus before Transfers	(\$ 4,014)
Changes in Operating Revenue	
Increased Fixed Route/Hwy 17 ridership	\$ 55
Decreased Contract fees, primarily City/County of Santa Cruz	(118)
	(\$ 62)
Changes in Operating Expense	
Updated Active FTE Salary/Fringe, net increase 1 FTE	(\$ 947)
Increased Medical, Dental, Vision costs	(1,477)
Strategic Services and Marketing Campaigns	981
Net decrease for Hybrid Batteries (9), Engine replacement for Hwy 17 (3) and ARTIC (3) buses	880
Preventive Maintenance contract for buses not signed	180
Property, PD & Liability, Other insurance	(278)
Line of Credit/Bridge Loan Interest	703
Net increase fuel costs, primarily hydrogen fuel	(3,001)
Tax Audit services (Payroll and AP)	(250)
All Other	(859)
	(\$ 4,069)
Changes in Non-Operating Revenue/(Expense)	
Sales Tax/including Measure D	\$ 1,987
Net, Federal/State Grants	1,638
TIRCP Grant	(1,690)
Retiree Obligations	(363)
Pension Bond Payment	34
Pension UAL	(809)
All Other Revenue, primarily declining interest income	220
	\$ 1,016
Total of all Changes	(\$ 3,114)
FY27 Operating Deficit before Transfers - Updated	(\$ 7,128)

- Excluding one time Ballot Measure and Line of Credit/Bridge Loan, Preliminary FY27 Budget Operating Loss would be \$6.6M
- Sales Tax projection is based on current outlook and expected to be up 6.5% when compared to FY26 budget
- Fuel costs are up \$3M, primarily due to hydrogen fuel costs as the new buses are put into service
- TIRCP grant final drawdowns will occur in FY27

Week Without Driving

October 1–8, 2026



Week Without Driving (WWD)

- A community challenge that invites people across Santa Cruz County to step out of their cars and experience how they would get around if driving were not available to them.
- From October 1 through October 8, 2026, we encourage you to walk, roll, bike, ride transit, carpool, or ask for rides whenever possible and reflect on what works, what does not, and what barriers exist for people who rely on these options every day.
- This campaign is about building understanding, empathy, and momentum for a more accessible transportation for everyone.

scmetro.org/wwd



How to Participate

- Try something new: Take the bus, walk, roll, bike, or carpool for some or all of your trips during the week.
- Reflect on your experience: What was easy? What was challenging? What surprised you?
- Join the Ridealong: Participate in METRO's Ridealong event and experience public transit alongside others in the community.
- Coordinate rides with elected officials either on fixed route or ParaCruz Ridealongs.
- Share your perspective: Post about your experience, talk with coworkers and neighbors, and help raise awareness about the transportation challenges nondrivers face.
- Volunteer to staff WWD booths at county events throughout the year & during the week of WWD.
- Share promotional materials.



Ridealong

- As part of Week Without Driving, Santa Cruz METRO will host a Ridealong.
- This event encourages elected officials to schedule their own district ridealongs to better understand the rider experience, and engage in conversations about mobility, access, and transportation barriers in our community.



Capitola Mall Event

- A community celebration will be held at Capitola Mall featuring local organizations, transit experts, and advocates for accessible transportation.
- Event will include:
 - Informational booths from County agencies, cycling groups, and accessibility advocates
 - Stories from residents who navigate Santa Cruz County without a car
 - Opportunity to connect with and hear from local officials and transportation planners
 - Raffles, games, and food trucks



Our Partners





Tap2Cruz

May 2026



11.1

What is Tap2Cruz?

- New **contactless** “tap to pay” fare payment on METRO buses
 - Riders can use contactless bank cards and mobile wallets
- **Cash** and **Splash Pass** still remain accepted
- **Goal:** faster boarding, simpler rider experience, modernized fare collection



Rider Experience: How it Works

- **Tap** the same card/device when boarding
- Wait for the green “**GO!**” screen
- **Same payment method** must be used across trips to get transfer benefits, fare capping, and linked discounts
- **One card/device** cannot pay for multiple riders



Payment Methods and Access


- **Accepted:** Visa, Mastercard, Discover, American Express
- **Mobile wallets:** Apple Pay, Google Pay, Samsung Pay.
- Riders without contactless cards can still use **cash / Splash Pass**.
- **Cause of Issues:** inactive card, insufficient funds, expired/damaged card, bank decline, non-contactless card, card clash



Fare Structure Changes

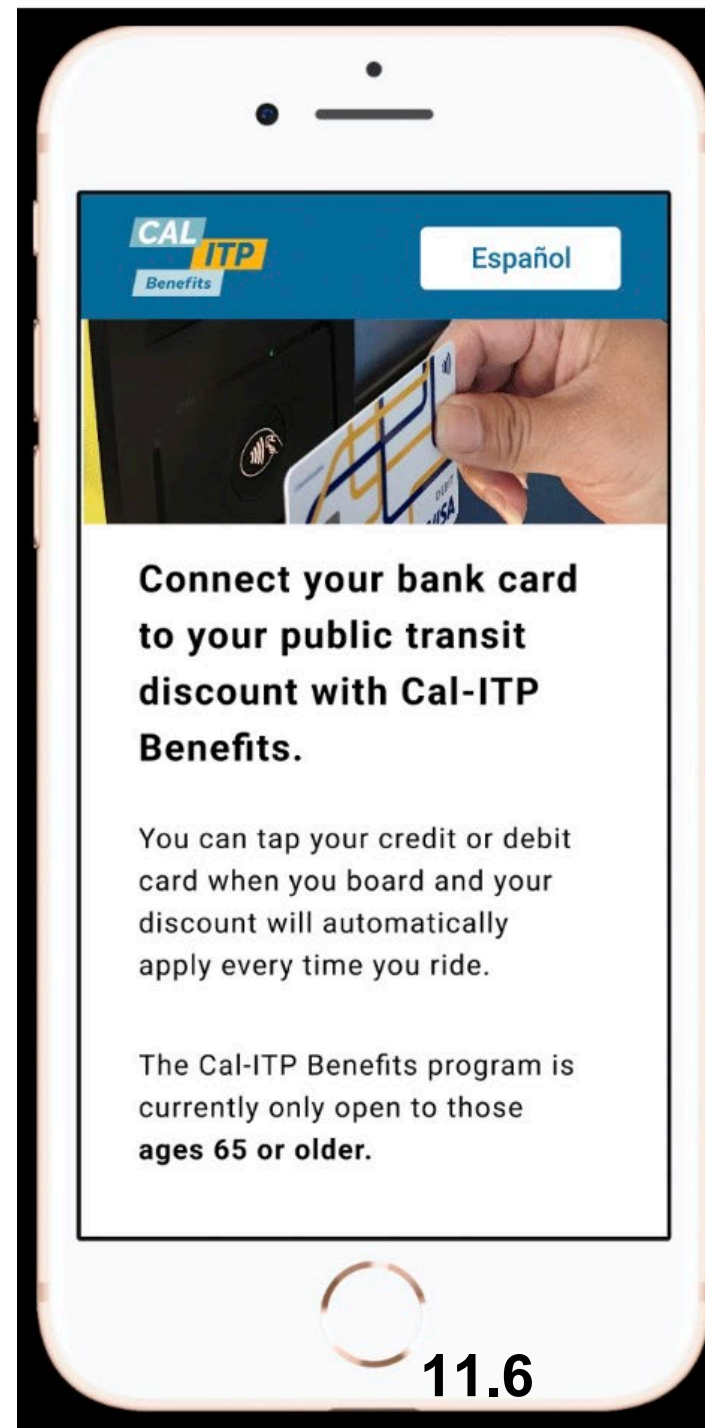
- **Local fare** stays at \$2 regular / \$1 discount
 - 2 hours of travel when using the same payment method
- **Daily cap:** \$5 adult / \$2.50 discount
 - \$1 cheaper than Cash & Splash Pass fares
- **Rolling 31-day cap:** \$65 adult / \$32 discount
- **Passes ending:** 3-day, 7-day, and 15-ride
 - End-of-sales & Acceptance-thru dates: 6/30 & 12/31

11.5

	Local Service				Local Service in Santa Cruz County					Amtrak/Highway 17 Express				
	Cash/ 1-Ride	Day Cap	31-Day Cap		Cash/ 1-Ride	Day Pass	3-Day Pass	7-Day Pass	31-Day Pass	15-Ride Pass	Cash/ 1-Ride	Day Pass	31-Day Pass	15-Ride Pass
Adult (age 18 and over)	\$2	\$5.00	\$65	Adult (age 18 and over)	\$2	\$6	\$15	\$32	\$65	\$20	\$7	\$14	\$145	\$94
Discount Fare	\$1	\$2.50	\$32	Discount Fare (Must present Discount Photo ID)	\$1	\$3	\$7	\$14	\$32	\$13.50	\$3.50	\$14	\$145	\$77.50

Discount Program Going Digital

- **Riders link eligibility** to a contactless bank card through secure online verification
- **Verification** sources include Login.gov, VA, and Medicare
- **Discount applies automatically** when the rider taps
- **Eligible groups:** 65+, veterans, Medicare cardholders
- **No changes** to our regular discount fare & access card (blind) programs: riders can continue riding with their current cards & payment/passes



Privacy, Security, and Rider Confidence

- Uses **secure** EMV/contactless payment networks
- **One-time transaction code** protects payment information
- METRO does not store or sell personal data
- Card issuers see transaction amount, not travel history



Questions?



Thank you!

