



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)
BOARD OF DIRECTORS REGULAR MEETING MINUTES*
ADMIN OFFICE, 110 VERNON STREET, SANTA CRUZ, CA
MARCH 27, 2026 – 9:00 AM
HYBRID MEETING**

A regular meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District (METRO) convened on Friday, March 27, 2026, as a hybrid meeting.

The Board Meeting agenda packet can be found online at www.scmetro.org. *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 9:00 AM by Board Chair Koenig.

2 SAFETY DEBRIEF

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

3 ROLL CALL

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

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 Fabian Leonor	County of Santa Cruz
Director Donna Lind	City of Scotts Valley
Director Monica Martinez	County of Santa Cruz
Director Scott Newsome	City of Santa Cruz
Director Melinda Orbach	City of Capitola
Director Maria Orozco*	City of Watsonville
Director Larry Pageler	County of Santa Cruz
Ex-Officio Director Alma Márquez	Cabrillo College
Ex-Officio Director Edward Reiskin	UC Santa Cruz

*Attended virtually from 275 Main Street, Watsonville, CA

Corey Aldridge	CEO/General Manager
Julie Sherman	General Counsel

4 RECESSED TO SCCIC MEETING AT 9:04 AM by Board Chair Koenig. SCCIC President Kalantari-Johnson presided over the annual meeting.

5 RECONVENED TO BOARD OF DIRECTORS’ MEETING AT 9:06 AM by Board Chair Koenig

6 ANNOUNCEMENTS

6.1 Today's meeting was broadcast by Community Television of Santa Cruz County.

6.2 Language Line Services was unable to provide Spanish interpretation services.

7 BOARD OF DIRECTORS COMMENTS

Director Downing mentioned that she is working on the 2026 "Week Without Driving" campaign and suggested all of METRO's Board of Directors host a drive along within their jurisdictions.

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

8 ORAL AND WRITTEN COMMUNICATIONS TO THE BOARD OF DIRECTORS

Ben Finke, speaking as a representative of the Friends of Santa Cruz METRO, appealed to all who could help on their personal time to volunteer on the citizens' initiative. He provided their website for more details and contact information: <http://www.friendsofscmetro.org>.

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

9 LABOR ORGANIZATION COMMUNICATIONS

Jaime Renteria, Chairperson for SMART, Local 23, mentioned a kick-off event for Friends of Santa Cruz METRO happening March 27, 2026 at noon at 444 Front Street.

Gabrielle Gonzalez, SEIU, Local 521 - SEA Chapter President, said SEIU proposed an extension to the current MOU and asked the Board to address the current issue of wage compaction within SEIU positions. Ms. Gonzalez also requested clarity on the way discipline is currently addressed in-house and information on the fiscal cliff the agency is facing and how that will affect staffing.

Cristobal Rivera, SEIU, Local 521 - SEA Chapter Vice President, said union members dedicate every day to performing their jobs and keeping the community moving, and take pride in that. However, pride and dedication do not cover the bills and requested fair wages for the essential role members play every day.

Uriel Estrada, SEIU, Local 521 - VMU Chapter President, asked for fairness to be considered during negotiations. We are the only agency with the largest hydrogen fleet. Working on these buses has been challenging for the Mechanics team.

Ken Bare, President of SEIU, Local 521, supports METRO SEIU members. We've heard their concerns today and support them fully, not only backing them in their negotiations but also backing Friends of Santa Cruz METRO in their efforts to raise funds.

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

10 ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

Having none, Board Chair Koenig 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.

- 11.1 ACCEPT AND FILE: PRELIMINARY APPROVED CHECK AND ACH JOURNAL DETAIL FOR THE MONTH OF FEBRUARY 2026
Chuck Farmer, Chief Financial Officer
- 11.2 ACCEPT AND FILE MINUTES OF:
FEBRUARY 27, 2026 BOARD OF DIRECTORS REGULAR MEETING
MARCH 17, 2026 FINANCE & HR STANDING COMMITTEE MEETING
MARCH 17, 2026 PLANNING & PROJECTS STANDING COMMITTEE MEETING
Corey Aldridge, CEO/General Manager
- 11.3 ACCEPT AND FILE: THE FINANCIAL UPDATE JANUARY 2026 RESULTS
Chuck Farmer, Chief Financial Officer
- 11.4 APPROVE: CONSIDERATION OF AUTHORIZING THE CEO/GENERAL MANAGER TO EXECUTE 2ND AMENDMENT TO THE CONTRACT WITH FLEET MAINTENANCE CONSULTING, INC. TO INCREASE THE AGREEMENT TOTAL BY \$94,000 FOR NEW FLYER BUS INSPECTIONS
Margo Ross, Chief Operations Officer
- 11.5 APPROVE: RECOMMENDED ACTION ON TORT CLAIMS
Gregory Strecker, Safety, Security and Risk Management Director
- 11.6 APPROVE: CONSIDERATION OF AWARD OF CONTRACT TO SHAW YODER ANTWIH SCHMELZER & LANGE FOR STATE LEGISLATIVE REPRESENTATION SERVICES IN AN AMOUNT NOT TO EXCEED \$217,170
Corey Aldridge, CEO/General Manager

Michael Pimentel, Shaw Yoder Antwih Schmelzer & Lange, expressed appreciation for the long-time relationship between his firm and METRO. It's been an honor to represent METRO for several decades and thanked the Board for the continued show of support and faith in his agency's work with Santa Cruz METRO.

Hearing nothing further, Board Chair Koenig called for a roll call vote.

ACTION: MOTION TO APPROVE THE CONSENT AGENDA AS PRESENTED

MOTION: DIRECTOR PAGELER

SECOND: DIRECTOR ORBACH

MOTION PASSED WITH 9 AYES (Directors Downing, Kalantari-Johnson, Koenig, Leonor, Lind, Newsome, Orbach, Orozco, and Pageler). Directors Dutra and Martinez were absent.

REGULAR AGENDA

- 12 PRESENTATION OF EMPLOYEE LONGEVITY AWARDS:
(5 YEARS) CHUCK FARMER, CHIEF FINANCIAL OFFICER*
(10 YEARS) ROB WILLIS, FACILITIES MAINTENANCE SUPERVISOR
(25 YEARS) JASON LOGIUDICE, LEAD MECHANIC***

*Denotes those in attendance to receive their certificates.

Board Chair Koenig recognized all for their years of service. CFO Farmer and Mr. Logiudice thanked the Board for their recognition.

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

- 13 APPROVE: FY27 AND FY28 PRELIMINARY OPERATING BUDGET AND FY27 CAPITAL BUDGET-PORTFOLIO**

Chuck Farmer, Chief Financial Officer, spoke to the presentation and requested the Board to adopt this preliminary budget to allow submittal of Santa Cruz METRO's Transportation Development Act (TDA) and State Transit Assistance (STA) claims to the Santa Cruz County Regional Transportation Commission (SCCRTC) by the April 1, 2026 deadline. He reviewed the preliminary revenue and expense budget assumptions and budget summary, full-time equivalents, FY27 operating budget, FY27 capital budget projects and available funding for them. He explained the capital contingency and concluded with the budget timeline.

Discussion followed on:

- COVID Recovery Fund depletion
- Non-Personnel operating expenses
- Fringe expenses
- Effect on hydrogen fuel costs since ARCHES (Alliance for Renewable Clean Hydrogen Energy Systems) lost its federal funding
- Non-Driver operations increase of outside repair equipment
- Decrease in outside repair revenues of vehicles
- Cost of hydrogen fuel exceeding cost of maintenance of older vehicles

Staff responded to all concerns.

Board Chair Koenig mentioned that this information was previously reviewed at the Finance & HR Standing Committee and it was requested by those members to have CFO Farmer present the final budget with two cut scenarios—one that is administrative heavy and the other that is service heavy where the agency would probably end up with something in between for this Board to consider.

There were no public comments.

Hearing nothing further, Board Chair Koenig called for a roll call vote.

ACTION: MOTION TO ADOPT THE FY27 AND FY28 PRELIMINARY LINE-ITEM OPERATING BUDGETS AND FY27 CAPITAL BUDGET-PORTFOLIO TO ALLOW SUBMITTAL OF METRO'S TDA/STA CLAIMS TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION

MOTION: DIRECTOR KALANTARI-JOHNSON SECOND: DIRECTOR DOWNING

MOTION PASSED WITH 9 AYES (Directors Downing, Kalantari-Johnson, Koenig, Leonor, Lind, Newsome, Orbach, Orozco and Pageler). Directors Dutra and Martinez were absent.

14 PUBLIC HEARING TO COMMENCE AT 9:00 AM OR AS SOON THEREAFTER AS THE MATTER CAN BE HEARD FOR:

A. ADOPT MODIFIED FARE STRUCTURE AND POLICIES

PUBLIC HEARING OPENED AT 9:41 AM.

Derek Toups, Planning and Innovation Deputy Director, spoke to the presentation (attached) and requested the Board of Directors adopt a resolution to modify the fare structure and policies. After receiving input from the Board Members of the Planning & Projects Standing Committee, Mr. Toups provided an update on Tap2Cruz, the proposed changes to METRO's existing fare structure and policies, potential fare revenue and equity impacts, how riders prefer to pay, transitioning to this new payment method, and driving toward greater cost efficiency.

There were no public comments.

PUBLIC HEARING CLOSED AT 9:51 AM.

Board Chair Koenig called for a roll call vote.

ACTION: MOTION TO ADOPT THE MODIFIED FARE STRUCTURE AND POLICIES EFFECTIVE WITH THE LAUNCH OF TAP2CRUZ INTEGRATED TICKETING PROJECT

MOTION: DIRECTOR DOWNING SECOND: PAGELER

MOTION PASSED WITH 9 AYES (Directors Downing, Kalantari-Johnson, Koenig, Leonor, Lind, Newsome, Orbach, Orozco and Pageler). Directors Dutra and Martinez were absent.

15 APPROVE: CONSIDERATION OF CONTRACT AWARD TO CAPUZZI CONSULTING GROUP, INC. FOR RAPID CORRIDORS PROJECT DESIGN AND ENGINEERING SERVICES IN AN AMOUNT NOT TO EXCEED \$2,723,000, SUBJECT TO CALIFORNIA TRANSPORTATION COMMISSION (CTC) APPROVAL OF FUNDING ALLOCATION REQUESTS

John Urgo, Chief Planning and Innovation Officer, spoke to the presentation and requested the Board to approve the contract award to Capuzzi Consulting Group, Inc. Mr. Urgo provided a project overview of transforming Routes 1 and 2 into METRO's first rapid corridors, connecting Watsonville and Santa Cruz. He covered existing conditions on these routes, the needs identified in the analysis process, existing plans/projects that tie into this project, and the seven types of improvements and their benefits. He reviewed the outreach activities performed along with the project schedule and funding.

Discussion followed on:

- Accessibility to transit islands
- South County improvements
- Route 73 future improvements
- Coordination and communication with Santa Cruz City, County, and the public
- Construction design of pullouts
- Language in the design contract to adjust amenities if needed so METRO won't face a budget shortfall
- Transit signal prioritization

Staff addressed all concerns.

There were no public comments.

Hearing nothing further, Board Chair Koenig called for a roll call vote.

ACTION: MOTION TO AWARD A CONTRACT TO CAPUZZI CONSULTING GROUP, INC. FOR RAPID CORRIDORS PROJECT DESIGN AND ENGINEERING SERVICES IN AN AMOUNT NOT TO EXCEED \$2,723,000, SUBJECT TO CALIFORNIA TRANSPORTATION COMMISSION (CTC) APPROVAL OF FUNDING ALLOCATION REQUESTS

MOTION: PAGELER

SECOND: NEWSOME

MOTION PASSED WITH 9 AYES (Directors Downing, Kalantari-Johnson, Koenig, Leonor, Lind, Newsome, Orbach, Orozco and Pageler). Directors Dutra and Martinez were absent.

16 CEO ORAL REPORT

Corey Aldridge, CEO/General Manager, reported:

- METRO's HR team celebrated Employee Appreciation Day on March 6, 2026 by presenting every employee with a special gift, recognizing their hard work, dedication, and commitment to riding the waves of excellence together.
- METRO proudly launched its new Employee Recognition Program on March 10, 2026. Along with being honored at METRO board meetings, employees celebrating milestone anniversaries will now receive a custom METRO anniversary pin and a monetary award redeemable for gift cards or METRO-branded apparel. Early feedback has been enthusiastic, and the program is already having a positive impact.
- On March 18, 2026, METRO celebrated National Transit Employee Appreciation Day. Riders and fellow employees honored METRO's incredible employees with heartfelt notes of appreciation, recognizing the essential role they play in keeping our community moving every day. To celebrate the occasion, METRO's Operations Department brought in a food truck as a special thank you for their dedication to safety, service, and helping riders reach their destinations.
- Since the last Board meeting, CEO Aldridge has given presentations on METRO's activities to the Democratic Club of North Santa Cruz County, Capitola City Council, and Santa Cruz County Business Council.

- Last week CEO Aldridge attended APTA's CEO Seminar in Monterey. This event provided an opportunity for transit CEOs across the country to discuss management policy and quality of life challenges unique to their roles.
- Earlier this week CEO Aldridge was in Sacramento to visit with state representatives and provide testimony to the Assembly Elections Committee on AB1919 that would provide METRO with the election procedures, authorizing statutes, and how local voters may pursue placing a citizens' initiative on the ballot. The bill was presented by Assemblymember Pellerin with additional testimony offered by Mr. Renteria, Chairperson of SMART, Local 23.

There were no public comments.

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

17 REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION

General Counsel Sherman announced the two items to be discussed in closed session.

There were no public comments.

ADJOURNED TO CLOSED SESSION AT 10:15 AM.

A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION PURSUANT TO GOVERNMENT CODE SECTION 54957(B)(1)

Agency Designated Representative: Manu Koenig, Board Chair

Title/Unrepresented Employee: Corey Aldridge, CEO/GM

B. CONFERENCE WITH LABOR NEGOTIATORS (GOVERNMENT CODE SECTION 54957.6)

Agency Negotiators: Corey Aldridge, CEO/General Manager
Patrick Glenn, Legal Counsel

Employee Organizations: SMART, Local 23 - Fixed Route
SMART, Local 23 - ParaCruz
SEIU, Local 521

RECONVENED TO OPEN SESSION AT 11:11 AM.

18 REPORT OF CLOSED SESSION

There was no reportable action taken during the closed session.

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

19 ANNOUNCEMENT OF NEXT MEETING

Board Chair Koenig announced the next regular Board meeting will be held on Friday, April 24, 2026 at 9:00 AM at the Capitola Council Chambers, 420 Capitola Avenue, Capitola.

20 ADJOURNMENT

Board Chair Koenig adjourned the meeting at 11:12 AM.

Respectfully Submitted,

Donna Bauer
Sr. Executive Assistant