

ATTACHMENT 2



FY 2022-2024 Triennial Performance Audit of the Santa Cruz County Transit Operators

Final

Submitted to:
Santa Cruz County
Regional Transportation Commission

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Section I

Introduction

California’s Transportation Development Act (TDA) requires that a triennial performance audit be conducted of public transit entities that receive TDA revenues. The performance audit serves to ensure accountability in the use of public transportation revenue.

The Santa Cruz County Regional Transportation Commission (SCCRTC) engaged Michael Baker International to conduct the TDA triennial performance audit of the public transit operators under its jurisdiction in Santa Cruz County. This performance audit is conducted for the Santa Cruz Metropolitan Transit District (Santa Cruz METRO, METRO), Community Bridges, and the Volunteer Center, covering the most recent triennial period, fiscal years 2021–22 through 2023–24.

The purpose of the performance audit is to evaluate the operators’ effectiveness and efficiency in their use of TDA funds to provide public transportation in their service areas. This evaluation is required as a condition for continued receipt of these funds for public transportation purposes. In addition, the audit evaluates the operators’ compliance with the conditions specified in the California Public Utilities Code (PUC). This task involves ascertaining whether the operators are meeting the PUC’s reporting requirements. Moreover, the audit includes calculations of transit service performance indicators and a detailed review of the transit administrative functions. From the analysis that has been undertaken, a set of recommendations has been made which is intended to improve the performance of transit operations.

In summary, this TDA audit affords the opportunity for an independent, constructive, and objective evaluation of the organizations and their operations that otherwise might not be available. The methodology for the audit included in-person interviews with management, telephone interviews with board members, collection and review of agency documents, data analysis, and on-site observations. The *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities* published by the California Department of Transportation (Caltrans) was used to guide the development and conduct of the audit.

Overview of the Transit System

Santa Cruz Metropolitan Transit District (Santa Cruz METRO)

Santa Cruz METRO was created in 1968 by the Santa Cruz Metropolitan District Act of 1967, a special district with taxing authority pursuant to Part 5 of the California PUC. Santa Cruz METRO initially provided public transit services to Santa Cruz, Capitola, and Live Oak. Service was eventually expanded to the San Lorenzo Valley, Scotts Valley, and Watsonville in 1974. In 1979, Santa Cruz County voters approved a measure that changed the district’s local financing structure from a property tax to a one-half-cent sales tax. The 1989 Loma Prieta earthquake, which resulted

in the closure of State Route (SR) 17, prompted Santa Cruz METRO to provide an emergency bus bridge between Santa Cruz, Scotts Valley, and San José. This service eventually evolved into the Highway 17 Express-Amtrak Thruway bus service in partnership with Amtrak California, the Capitol Corridor Joint Powers Authority, the San Joaquin Joint Powers Authority, and the Santa Clara Valley Transportation Authority (VTA). Santa Cruz METRO is governed by an 11-member Board of Directors comprising representatives of the Cities of Watsonville, Santa Cruz, Capitola, and Scotts Valley, and from the unincorporated areas of the county. In addition, there are two ex officio members representing the University of California, Santa Cruz (UCSC), and Cabrillo College.

Community Bridges

Community Bridges, the designated Consolidated Transportation Services Agency (CTSA) for Santa Cruz County, operates several specialized transportation services under the Lift Line program. The organization was founded in 1977 and offers a variety of human services programs encompassing family resources, nutrition, youth outreach, and transportation. Since 1982, Community Bridges has been offering transportation services through Lift Line as well as from taxi vehicles through the taxi scrip program. In November 2017, Community Bridges administration relocated from Aptos to Watsonville which, among other changes, enables transit administrative staff to be closer to the drivers and the operations facility. The operations and maintenance facility is located at 545 Ohlone Parkway in Watsonville.

Volunteer Center

The Santa Cruz Volunteer Center offers a variety of community-based programs targeted to seniors, persons with disabilities, families, and youth. The agency also serves as a resource for businesses, nonprofits, schools, government, and faith-based agencies that want to make a difference through effective, meaningful volunteer initiatives. The Volunteer Center Transportation Program provides free rides to ambulatory seniors, aged 60 and older, and disabled persons throughout the county. The program matches drivers with riders for essential trips to access medical appointments, banking, pharmacies, and grocery shopping.

Transit Service Area

Santa Cruz County is in the Central Coast region of California and forms the northern portion of Monterey Bay. The county is bordered by Santa Clara County to the east and northeast, Monterey County to the south, San Benito County to the southeast, and San Mateo County to the north. Established in 1850, the county was one of the original counties in California; the county's name means "holy cross" in Spanish. It has the second smallest geographic area of any county in California after the City and County of San Francisco. Agriculture, education, government services, health care, and tourism are mainstays of the local economy. Major highways traversing Santa Cruz County include SR 1, 9, 17, 35, 129, 152, and 236. SR 1 is the main coastal highway connecting the Cities of Capitola, Santa Cruz, and Watsonville. SR 17 is the main north-south highway connecting Santa Cruz and Scotts Valley with San José and the Santa Clara Valley. A demographic snapshot of incorporated cities and the county is presented in Table I-1.

Table I-1
Santa Cruz County Demographics

City/Jurisdiction	2020 US Census Population	Change from 2010 US Census (percentage)	Population 65 Years & Older (percentage)	2025 California DOF Estimates	Land Area (in square miles)
Capitola	9,938	+0.2%	23.9%	9,670	1.59
Santa Cruz	62,956	+5.0%	12.3%	62,972	12.74
Scotts Valley	12,224	+5.6%	17.0%	11,831	4.60
Watsonville	52,590	+2.7%	10.2%	51,101	6.69
Unincorporated Area	133,153	+2.6%	22.0%	128,136	419.55
Total Santa Cruz County	270,861	+3.2%	17.3%	263,710	445.17

Source: 2020 US Census; California Department of Finance (DOF) 2025 Population Estimates

The City of Santa Cruz is the county seat and the largest city in the county. The county and its four incorporated cities saw modest growth between 2010 and 2020, as recorded in the US Census for each of those years. Scotts Valley had the highest percentage increase in population. The senior citizen population, comprising residents aged 65 and over, is 17.3 percent countywide. The 2025 population for Santa Cruz County is estimated to be 263,710, as reported by the California Department of Finance. The methodology behind this estimate is based on the correlation of three different methods that include administrative records, driver license, address changes, and household characteristics.

Transit System Characteristics

Santa Cruz METRO

Santa Cruz METRO operates fixed-route and Americans with Disabilities Act (ADA) compliant paratransit service within Santa Cruz County as well as commuter service to Santa Clara County along the SR 17 corridor. Santa Cruz METRO operates four transit centers, which provide connections between routes and other transit services. The main transit center is the Santa Cruz METRO Center (Pacific Station) located at 920 Pacific Avenue in Santa Cruz which was demolished in early 2024. Redevelopment started soon after and is anticipated to be completed in 2026. A temporary transit center has been established in the City of Santa Cruz as the River Front Temporary Transit Center. Temporary traffic patterns have been established along with sidewalk revisions, and ancillary facilities to support METRO's operations during the redevelopment of Pacific Station. The other three transit centers are Capitola Mall, Cavallaro (Scotts Valley), and Watsonville.

Transit services operate seven days a week with varying service hours based on the mode. Certain routes operate only during the school terms for the San Lorenzo Valley Unified School District, UCSC, and Cabrillo College. Local fixed route does not operate on New Year's Day, Independence

Day, Memorial Day, Labor Day, Thanksgiving Day, and Christmas Day, but operates on the weekend schedule on the day after Thanksgiving, Christmas Eve, and New Year’s Eve. Highway 17 Express operates the weekend schedule on the aforementioned holidays, except Independence Day where the service does not operate. The METRO ParaCruz operates most holidays except on New Year’s Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

Santa Cruz METRO operates 22 fixed routes, including the Highway 17 Express commuter route. Headways range from 15 minutes to 60 minutes depending on the route, time of day, and day of the week. Certain routes operate during peak periods to serve students attending UCSC and Cabrillo College as well as local middle and secondary schools. A summary of Santa Cruz METRO’s fixed-route service is presented in Table I-2.

Table I-2
Santa Cruz METRO Fixed Route & Commuter Services

Route Number	Description	Frequency/Operation	Destinations/Timepoints
1	Soquel/Cabillo/Airport to Watsonville/Santa Cruz	Every 15 minutes (Monday through Friday from 6:00 a.m. to 12:47 a.m.) Every 15 minutes (Weekends from 7:00 a.m. to 12:51 a.m.)	<ul style="list-style-type: none"> ▪ Watsonville TC Lane 3 ▪ Airport Blvd (Freedom Centre) ▪ Cabrillo College ▪ Soquel Dr (Dominican Hospital) ▪ River Front Area 2 ▪ River Front Area 1
2	Capitola/Cabrillo/Main to Watsonville/Santa Cruz	Every 30 minutes (Monday through Friday from 6:25 a.m. to 12:45 a.m.) Every 30 minutes (Weekends from 7:10 a.m. to 12:19 a.m.)	<ul style="list-style-type: none"> ▪ River Front Area 3 ▪ Capitola Rd & 7th Ave ▪ Capitola Mall ▪ Cabrillo College ▪ Main & Green Valley ▪ Watsonville Transit Center ▪ Watsonville Transit Center Lane 1 ▪ River Front Area 1
3A/3B	Capitola Mall to Live Oak via East Cliff/17th/Brommer	Every 30 minutes (Monday through Friday from 6:23 a.m. to 11:53 p.m.) Every 30 minutes (Saturday through Sunday from 6:25 a.m. to 11:21 p.m.)	<ul style="list-style-type: none"> ▪ River Front Area 3 ▪ 7th Ave & Capitola Rd ▪ East Cliff Village ▪ Capitola Mall ▪ Capitola Mall Lane 1
4	Harvey West	Every 60 minutes (Monday through Friday from 7:30 a.m. to 6:21 p.m.)	<ul style="list-style-type: none"> ▪ Riverfront Area 3 ▪ Metro Admin Offices ▪ Harvey West Park ▪ Emeline Complex

Route Number	Description	Frequency/Operation	Destinations/Timepoints
			▪ Riverfront Area 1
4W	River/Harvey West	Every 60 minutes (Saturday through Sunday from 8:10 a.m. to 6:33 p.m.)	▪ River Front Area 3 ▪ Harvey West Park ▪ River Front Area 1
11	UCSC via West Gate - High	Every 30 minutes (Monday through Friday from 6:20 a.m. to 11:57 p.m.) Every 30 minutes (Saturday through Sunday from 6:55 a.m. to 11:32 p.m.)	▪ River Front Area 1 ▪ High & Moore ▪ Science Hill (UCSC) ▪ River Front Area 3
18	UCSC via Main Gate - Mission	Every 15 minutes (Monday through Friday from 6:15 a.m. to 12:53 a.m.) Every 30 minutes (Weekends from 8:35 a.m. to 12:18 a.m.)	▪ River Front Area 1 ▪ Mission & Olive ▪ Science Hill (UCSC) ▪ Mission & Almar ▪ River Front Area 3
19	UCSC via West Gate - Bay	Every 15 minutes (Monday through Friday from 7:00 a.m. to 12:06 a.m.) Every 30 minutes (Weekends from 8:05 a.m. to 11:43 p.m.)	▪ River Front Area 1 ▪ Bay & Mission ▪ Science Hill (UCSC) ▪ Bay & Mission ▪ River Front Area 3
20	UCSC via Main Gate – Delaware/Western	Every 60 minutes (Monday through Friday from 7:00 a.m. to 8:22 p.m.) Every 60 minutes (Saturday through Sunday from 8:00 a.m. to 8:52 p.m.)	▪ River Front Area 1 ▪ Delaware & Swift ▪ Seymour Center ▪ Bay Dr & High ▪ Science Hill (UCSC) ▪ River Front Area 3
35	Highway 9/Scotts Valley to Boulder Creek/Santa Cruz	Every 30 minutes (Monday through Friday from 6:30 a.m. to 12:07 a.m.) Every 30 minutes (Weekends from 7:30 a.m. to 11:34 p.m.)	▪ River Front Area 2 ▪ Pasatiempo ▪ Scotts Valley Dr & Granite Creek ▪ Cavallaro Transit Center (Scotts Valley) ▪ San Lorenzo Valley High School ▪ Glen Arbor & Quail Hollow ▪ Hwy 9 & (Highlands Park) ▪ Hwy 9 & Main (Ben Lomond)

Route Number	Description	Frequency/Operation	Destinations/Timepoints
			<ul style="list-style-type: none"> ▪ Hwy 9 & Hwy 236 (Boulder Creek) ▪ Bear Creek Rd & Deerwood Dr ▪ Mountain Store ▪ Country Club ▪ Hwy 9 & Sylvan Ave ▪ Hwy 9 & Lomond (Boulder Cr.) ▪ Big Basin State Park
40	Highway 1 to Davenport/Santa Cruz	<p>Three AM & Four PM Trips (Monday through Friday from 6:55 a.m. to 9:16 p.m.)</p> <p>Two AM & One PM Trip (Weekends from 7:15 a.m. to 4:08 p.m.)</p>	<ul style="list-style-type: none"> ▪ River Front Area 1 ▪ Santa Cruz High School ▪ Natural Bridges & Mission Ext ▪ Pacific School (Davenport) ▪ Mission & Swift ▪ River Front Area 3
41	Empire Grade to Bonny Doon/Santa Cruz	<p>Two AM & four PM Trips (Monday through Friday from 5:50 a.m. to 9:55 p.m.)</p> <p>Two AM & one PM Trip (Weekends from 7:20 a.m. to 4:41 p.m.)</p>	<ul style="list-style-type: none"> ▪ River Front Area 1 ▪ Santa Cruz High School ▪ Bay Dr & High ▪ Pine Flat & Empire Grade ▪ Bonny Doon Rd & Pine Flat Rd ▪ River Front Area 3
55	Cabrillo to Rio Del Mar	<p>More than 60 minutes (Monday through Friday from 8:30 a.m. to 7:47 p.m.)</p> <p>More than 60 minutes (Saturday through Sunday from 9:00 a.m. to 6:10 p.m.)</p>	<ul style="list-style-type: none"> ▪ Capitola Mall Lane 2 ▪ Stockton Ave & Esplanade ▪ Cabrillo College ▪ Summer & Clubhouse ▪ La Selva Beach ▪ Capitola Mall
72/72W	Green Valley to Hospital/Corralitos	<p>Every 60 minutes (Monday through Friday from 6:30 a.m. to 6:18 p.m.)</p> <p>Every 2 hours (Saturday through Sunday from 10:00 a.m. to 6:27 p.m.)</p>	<ul style="list-style-type: none"> ▪ Watsonville TC Lane 1 ▪ Main & Green Valley ▪ Airport Blvd (Freedom Centre) ▪ Amesti & Green Valley ▪ Watsonville Transit Center ▪ Browns Valley & Corralitos

Route Number	Description	Frequency/Operation	Destinations/Timepoints
73	Soquel/Freedom to Watsonville/Cabrillo	Every 60 minutes (Monday through Friday from 5:35 a.m. to 12:10 a.m.) Every 60 minutes (Saturday through Sunday from 6:00 a.m. to 11:34 p.m.)	<ul style="list-style-type: none"> ▪ Capitola Mall Lane 2 ▪ Cabrillo College ▪ Aptos High School ▪ Airport Blvd (Freedom Centre) ▪ Main & Ohlone ▪ Watsonville Transit Center ▪ Watsonville Transit Center Lane 2 ▪ Main & Clifford ▪ Capitola Mall Lane 2
74S	Pajaro Valley High School/Watsonville Hospital	One AM trip & one PM trip (Monday through Friday 7:30 a.m. to 4:47 p.m.)	<ul style="list-style-type: none"> ▪ Watsonville TC Lane 2 ▪ Pajaro Valley High School ▪ Green Valley & Main ▪ Airport Blvd. & Freedom ▪ Bowker Rd & Buena Vista Dr ▪ Neilson (Watsonville Hospital) ▪ Watsonville Transit Center
75	Green Valley to Wheelock/Downtown	Every 60 minutes (Monday through Friday from 5:00 a.m. to 6:55 p.m.) Every 60 minutes (Saturday through Sunday from 6:00 a.m. to 6:53 p.m.)	<ul style="list-style-type: none"> ▪ Watsonville TC Lane 2 ▪ Airport Blvd. (Freedom Centre) ▪ Wheelock & Monte Vista School ▪ Main & Green Valley ▪ Watsonville Transit Center
78	Ohlone to Hospital/Freedom Centre	Every 60 minutes (Monday through Friday from 5:50 a.m. to 6:45 p.m.) Every 60 minutes (Saturday through Sunday from 6:50 a.m. to 6:35 p.m.)	<ul style="list-style-type: none"> ▪ Watsonville TC Lane 2 ▪ Westridge Dr (Government Center) ▪ Neilson (Watsonville Hospital) ▪ Airport Blvd (Freedom Centre) ▪ Watsonville Transit Center
79	East Lake/Crestview	Every 30 minutes (Monday through Friday from 6:15 a.m. to 6:41 p.m.) Every 60 minutes (Saturday through Sunday from 7:10 a.m. to 6:35 p.m.)	<ul style="list-style-type: none"> ▪ Watsonville TC Lane 2 ▪ Watsonville High School ▪ East Lake Shopping Center ▪ College & East Lake ▪ Hwy 152 & SC County Fairgrounds ▪ Watsonville Transit Center

Route Number	Description	Frequency/Operation	Destinations/Timepoints
Hwy 17 Express	Highway 17 Express – Amtrak Thruway	Every 60 minutes (Monday through Friday from 4:55 a.m. to 12:16 a.m.) Every 60 minutes (Weekends/Holidays from 6:50 a.m. to 12:20 a.m.)	<ul style="list-style-type: none"> ▪ River Front Transit Center (Area 4) ▪ Cavallaro Transit Center (Scotts Valley) ▪ Diridon Station (Caltrain Depot) ▪ San Fernando & 7th

Source: Santa Cruz METRO

Fares

Santa Cruz METRO fare media comprises cash and several pass options based on the number of days and rides. All Santa Cruz METRO Day passes are good for unlimited rides in Santa Cruz County, excluding the Highway 17 Express route. All Highway 17 Express passes are good for unlimited rides on all Santa Cruz METRO and VTA local routes. Santa Cruz METRO also offers a cash card with no expiration date that is available in denominations of \$10, \$20, \$30, and \$50. Electronic plastic smart cards, including the METRO CRUZ pass and CRUZ Cash cards, are reloadable and are read by tapping the GFI Odyssey electronic fareboxes on the Santa Cruz METRO buses. In addition to the CRUZ cards, METRO implemented mobile ticketing during the audit period with the Splash Pass. The riders can purchase tickets through the Splash Pass app, which can be downloaded using their Apple or Android smartphones (<https://scmttd.apps>). Transfers to Monterey Salinas Transit buses are available for passengers from certain Santa Cruz METRO routes at the Watsonville Transit Center. Starting on March 1, 2023, METRO began a pilot program called Youth Cruz Free where K-12th grade students can ride all METRO local routes for free with a student ID. The current fare structure for Santa Cruz METRO and Highway 17 Express is summarized in Table I-3.

Table I-3
Santa Cruz METRO and Amtrak Highway 17 Express Fare Schedule

Fare Category	Regular Santa Cruz METRO Service						Highway 17 Express			
	Cash	Day Pass	3-Day Pass	7-Day Pass	31-Day Pass	15-Ride Pass	Cash	Day Pass	31-Day Pass	15-Ride Pass
Adult (Age 18+)	\$2	\$6	\$15	\$32	\$65	\$27	\$7	\$14	\$145	\$94.50
Discount Fare	\$1	\$3	\$7.50	\$16	\$32	\$13.50	\$3.50	\$14	\$145	\$94.50
Youth (Grades K-12)	Youth Cruz Free pilot program allows K-12 Students to ride METRO for free. * Show your student ID to board (suggested for 9-12 th grade). *Youth Cruz Free does not apply to Highway 17 Express service. Children up to 46" may ride free with a fare paying adult. Children over 46" will be charged Adult Fare.									

Source: Santa Cruz METRO, <https://www.scmttd.com/en/>

Note: Beginning November 1, 2019, customers who are legally blind may ride the Santa Cruz METRO fixed-route bus system for free as a way to resolve some concerns raised by visually impaired riders who had difficulty using the ticket vending machines.

Santa Cruz METRO discount fares and passes are available to eligible seniors and persons with disabilities by presenting the following forms of identification:

- A METRO Discount photo ID card
- A METRO ParaCruz ID card
- A Discount photo ID card/Paratransit ID card issued by another transit agency.
- A senior citizen ID card
- A Medicare ID card
- Current state driver's license or current state ID card
- Government-issued ID that displays date of birth.
- A valid ID card for California disabled person parking placard
- A disabled veteran's ID card

METRO ParaCruz Paratransit

Through its ParaCruz service, Santa Cruz METRO provides door-to-door paratransit service to any destination within Santa Cruz County that is within 0.75 miles of an operating fixed route. Eligibility for this complementary ADA paratransit service is determined through an in-person interview. METRO ParaCruz operates on days and hours that reflect the local fixed-route bus service in the same area. ParaCruz does not operate on New Year's Day, Independence Day, Labor Day, Thanksgiving, Memorial Day, or Christmas Day. Rides must be reserved one to three days in advance between the hours of 8:00 a.m. and 5:00 p.m. The ParaCruz fare is \$4.00 per one-way trip equivalent to a single fixed-route bus fare, and \$6.00 maximum per one-way trip if equivalent to two or more fixed-route bus fares. Premium fares are charged for will-call returns (\$8.00) and for a re-dispatched vehicle (\$16.00). A personal care attendant accompanying a fare-paying passenger rides free if an attendant is determined necessary during the transit evaluation interview.

Community Bridges – Lift Line

Community Bridges' Lift Line offers a variety of demand-responsive transit services for disabled, frail, and elderly persons throughout Santa Cruz County as well as to the adjacent counties of Monterey, San Mateo, San Benito, San Francisco, and Santa Clara. Lift Line services during the audit period included:

- Countywide medical transportation
- Out-of-county medical transportation
- Veterans' medical transportation
- Taxi scrip
- Elderday Adult Health Care transportation
- Senior dining center transportation (Meals on Wheels)

- Same day medical transportation

The medical transportation program provides transportation for Santa Cruz County residents who meet age, disability, and/or income criteria. Eligible riders can access dental, medical, and prescription appointments free of charge. This service operates Monday through Friday except holidays. Lift Line is currently using the ADA paratransit system pickup window lasting up to 30 minutes, with a pickup no sooner than 10 minutes before the scheduled pickup time and not less than 20 after the scheduled pickup time. The pickup window for outside contracts varies depending on the agreement between Lift Line (contractor) and outside agency (contractee). Trips are prioritized on a first-come, first-served basis.

Lift Line Access for all is an expansion of Community Bridges Lift Line service. Made possible by a state grant from the California Public Utilities Commission's Transportation Network Company's (TNC) Access for All program administered by the Santa Cruz County Regional Transportation Commission, allows for residents, regardless of income level, within Santa Cruz County with a disability to pay a flat \$5.00 fee per ride to utilize Community Bridges Lift Line services. Income-eligible older adults and people with disabilities will continue to enjoy Lift Line's services at no cost.

The out-of-county medical transportation service provides transportation from Santa Cruz County to a number of facilities including the Stanford Medical Center in Palo Alto, the Veterans Hospital, VA Monterey Bay/Fort Ord, Lucile Packard Children's Hospital, as well as others located in San Jose, Santa Clara, Menlo Park, San Francisco, and Gilroy. The service operates Monday through Friday excluding holidays and is available free of charge to Santa Cruz County residents who meet age, disability, and/or income criteria. Due to budget reductions, out-of-county areas are served certain days of the week. Locations closer to Santa Cruz County such as Monterey, Salinas, and San Benito are served Monday, Wednesday, and Friday, while northern locations including San Jose, Santa Clara, and San Francisco are served Tuesday and Thursday.

The veteran's medical transportation program provided transport free of charge to veterans who met residency, income, age, and/or disability criteria. This program provided service to the Veterans Building in Santa Cruz and to the VA Hospital Monterey Bay/Fort Ord. The veteran's transportation was combined with the out-of-county medical transportation for days of service until 2017 when the Federal Transit Administration (FTA) 5310 grant revenue ended, and the veterans service was discontinued.

The taxi scrip program offers discounted coupons or "scrip" to use for taxi fares. This program receives federal and local support through the TDA. An eligible person purchases scrip from Lift Line at a discounted rate for use on any one of three designated taxi carriers in Santa Cruz. The participating taxi companies included Santa Cruz Yellow Cab, Deluxe Cab Company, and Courtesy Cab Company of Watsonville. Rides are arranged directly with the taxi companies. The growth of transportation network companies (TNCs) has impacted the taxi industry, disrupting taxi service in the county, particularly in northern Santa Cruz.

Elderday transportation provides rides to and from Elderday twice a day using seven set routes. The senior dining center transportation program provides coordinated transportation to Meals on Wheels congregate dining centers in Santa Cruz County. Community Bridges also offers bus charter services for outside contracts/private events to help support its free and reduced programming using competitive flat rates.

Fleet

Santa Cruz METRO Fleet

There were 110 vehicles in the Santa Cruz METRO fixed-route active fleet during the audit period. The fleet has been almost completely transitioned from diesel-powered vehicles to alternative fuels such as compressed natural gas (CNG) or electric batteries. All vehicles are wheelchair accessible with tie-downs in compliance with the ADA. Table I-4 shows the active vehicle fleet information.

Table I-4
Santa Cruz METRO Transit Fleet

Year	Make/Model	Quantity	Seating Capacity	Fuel Type
1998	New Flyer D35LF	6	30 (2 W/C)	Diesel
1998	New Flyer D40LF	3	39 (2 W/C)	Diesel
2002	New Flyer D60LF	4	57 (2 W/C)	Diesel
2003	New Flyer D35LFC	11	30 (2 W/C)	CNG
2003	New Flyer D40LFC	2	39 (2 W/C)	CNG
2006	New Flyer C40LF	2	39 (2 W/C)	CNG
2008	New Flyer C40LF	8	39 (2 W/C)	CNG
2008	New Flyer C40LF	5	36 (2 W/C)	CNG
2010	New Flyer C40LFR	5	39 (2 W/C)	CNG
2011	New Flyer C40LFR	11	39 (2 W/C)	CNG
2013	New Flyer XN35	6	28 (2 W/C)	CNG
2013	New Flyer 60' Artic	9	52 (2 W/C)	CNG
2014	Gillig Low Floor	10	39 (2 W/C)	Diesel Hybrid
2016	New Flyer XN40	3	40 (2 W/C)	CNG
2019	Gillig Low Floor	5	38 (2 W/C)	CNG
2020	Gillig Low Floor	1	38 (2 W/C)	CNG
2020	Proterra ZX5 Max	4	38 (2 W/C)	Battery Electric
2021	Gillig 35' Low Floor	3	32 (2 W/C)	CNG
2021	Gillig Low Floor	3	38 (2 W/C)	CNG
2022	Gillig Low Floor	4	32 (2 W/C)	CNG
2023	Gillig 40' BE Low Floor	1	38 (2 W/C)	Battery Electric
2023	Gillig 40' BE Suburban	4	35 (2 W/C)	Battery Electric
Total		110		

Source: Santa Cruz METRO Revenue Vehicle Listing. W/C - Wheelchair

ParaCruz operates a fleet of 32 unleaded gasoline-powered vehicles. The fleet varies in model type and passenger capacity. All vehicles are wheelchair accessible with tie-downs in compliance with the ADA. Table I-5 summarizes the ParaCruz fleet.

Table I-5
ParaCruz Fleet

Year	Make/Model	Quantity	Seating Capacity	Fuel Type
2003	Ford Goshen GCII	1	17 (2 W/C)	Gas
2010	Dodge Amerivans	1	2 (1 W/C)	Gas
2011	Ford E350 - Versa Shuttle	2	4 (1 W/C)	Gas
2011	Ford E350 – Versa Shuttle	1	5 (1 W/C)	Gas
2015	Dodge Amerivans	2	4 (1 W/C)	Gas
2015	Ford/Eldorado-F550 Aeroelite 270	1	22 or 7 W/C	Gas
2017	Ford E350-Starlite 20	1	8 (1 W/C)	Gas
2018	Ford/Starcraft-T350 Starlite	11	10 (1 W/C)	Gas
2018	Ford/Starcraft-E450Allstar	2	14 (2 W/C)	Gas
2019	Ford/Starcraft-T350 Starlite	3	10 (1 W/C)	Gas
2023	Ford/Starcraft-T350 Starlite	7	14 (2 W/C)	Gas
Total		32		

Source: Santa Cruz METRO Revenue Vehicle Listing. W/C - Wheelchair

Community Bridges – Lift Line Fleet

Community Bridges’ Lift Line service operates a fleet of 19 unleaded gasoline-powered vehicles and 8 electric vehicles. The new electric vehicles are targeted for service in disadvantaged communities in Watsonville. Funding for the electric vehicles also provided two Level 2 charging stations at the Lift Line fleet facility in Watsonville. Newer vehicles have on-board cameras installed for safety. The fleet varies in type and passenger capacity, with many older vehicles being replaced during the audit period. All vehicles are wheelchair accessible with tie-downs in compliance with the ADA. Table I-6 summarizes the Lift Line fleet.

Table I-6
Lift Line Fleet

Year	Make/Model	Quantity	Seating Capacity	Fuel Type
2006	Chevy Uplander	1	3 (1 W/C)	Gas
2006	Chevy Uplander	1	3 (1 W/C)	Gas
2007	Ford E350	1	8 (2 W/C)	Gas
2008	Chevy Uplander	1	3 (1 W/C)	Gas
2013	Dodge Grand Caravan	1	3 (1 W/C)	Gas
2013	Ford E450	1	16 (2 W/C)	Gas
2013	Ford E450	5	11 (2 W/C)	Gas

Year	Make/Model	Quantity	Seating Capacity	Fuel Type
2016	Dodge Grand Caravan	2	3 (1 W/C)	Gas
2019	Dodge Grand Caravan	3	3 (1 W/C)	Gas
2019	Ford E-350	1	6 (2 W/C)	Gas
2019	Ford E-450	3	(2 W/C)	Gas
2019	Ford E-450 EV	2	15 (2 W/C)	Battery Electric
2019	Ford E-450 EV	1	6 (2 W/C)	Battery Electric
2019	Ford PHNX	2	15 (2 W/C)	Battery Electric
2019	Ford PHNX	1	6 (2 W/C)	Battery Electric
2022	Ford PHNX	1	11 (2 W/C)	Battery Electric
2023	Ford Transit	1	7 (1 W/C)	Battery Electric
Total		27		

Source: Lift Line/Community Bridges Vehicle List. W/C - Wheelchair

Volunteer Center

The Santa Cruz Volunteer Center’s volunteer driver transportation program addresses the needs of ambulatory seniors and disabled people by offering free rides throughout the county. Wheelchair riders cannot be accommodated. The program matches drivers with seniors aged 60 years and older and disabled persons for essential trips to medical appointments, grocery shopping, banking, and pharmacies. Two rides per week are available for eligible persons to meet basic needs or get to needed appointments. Rides are provided throughout Santa Cruz County including Watsonville, San Lorenzo Valley, Scotts Valley, and Santa Cruz. Drivers are required to have a good driving record, a reliable automobile, and insurance. The Volunteer Center offers drivers supplemental insurance. At the beginning of the audit period, the Volunteer Center launched a Grocery Shopper Program and medication delivery services in response to the COVID-19 pandemic. This program served the same specialized population served by the Volunteer Center’s Transportation Program.

Section II

Operator Compliance Requirements

This section of the audit report contains the analysis of the Santa Cruz County transit operators' abilities to comply with state requirements for continued receipt of TDA funds. The evaluation uses the guidebook, *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Agencies*, September 2008 (third edition), developed by Caltrans to assess transit operators. The guidebook contains a checklist of 11 measures taken from relevant sections of the PUC and the California Code of Regulations. Each of these requirements is discussed in the table below, including a description of the systems' efforts to comply with the requirements. In addition, the findings from the compliance review are described in the text following the table.

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
The transit operator has submitted annual reports to the RTPA based upon the Uniform System of Accounts and Records established by the State Controller. The report is due within seven (7) months after the end of the fiscal year (on or before January 31). The report shall contain underlying data from audited financial statements prepared in accordance with generally accepted accounting principles, if this data is available.	Public Utilities Code, Section 99243	<p>Completion/submittal dates:</p> <p><i>For Santa Cruz METRO:</i></p> <p>FY 2022: January 31, 2023 FY 2023: January 31, 2024 FY 2024: January 31, 2025</p> <p><i>For Santa Cruz METRO-ParaCruz: (specialized service)</i></p> <p>FY 2022: January 31, 2023 FY 2023: January 31, 2024 FY 2024: January 31, 2025</p> <p>Reports were filed electronically.</p> <p>Conclusion: Complied.</p>
The operator has submitted annual fiscal and compliance audits to the RTPA and to the State Controller within 180 days following the end of the	Public Utilities Code, Section 99245	<p>Completion/submittal dates:</p> <p><i>For Santa Cruz METRO (prepared by Brown Armstrong Accountancy Corporation):</i></p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
fiscal year or has received the appropriate 90-day extension by the RTPA allowed by law.		<p>FY 2022: December 9, 2022 FY 2023: December 27, 2023 FY 2024: December 13, 2024</p> <p><i>For Community Bridges (prepared by Kaku & Mersino, LLP CPA):</i></p> <p>FY 2022: December 12, 2022 FY 2023: December 14, 2023 FY 2024: December 11, 2024</p> <p>Conclusion: Complied.</p>
The CHP has, within the 13 months prior to each TDA claim submitted by an operator, certified the operator’s compliance with Vehicle Code Section 1808.1 following a CHP inspection of the operator’s terminal.	Public Utilities Code, Section 99251 B	<p>Santa Cruz METRO and Community Bridges – Lift Line participate in the California Highway Patrol (CHP) Transit Operator Compliance Program in which the CHP has conducted inspections within the 13 months prior to each TDA claim.</p> <p><i>For Santa Cruz METRO:</i></p> <p>Inspections were conducted at the Santa Cruz METRO facility located at 138 Golf Club Drive in Santa Cruz (for METRO fixed route) and 2880 Research Park Drive #160 in Soquel (for *ParaCruz).</p> <p>Inspection dates applicable to the audit period of fixed route vehicles were November 30, December 1 - 3, 2021; November 28 - December 1, 2022; and November 27 - 30, 2023.</p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		<p>During an inspection on November 30, 2023, one Santa Cruz METRO vehicle was found having an obstructed emergency exit window due to the misapplication of an exterior vehicle body wrap and had to be taken out of service. In addition, there were minor discrepancies involving the completion of the daily vehicle inspection reports, broken mirrors, and vehicle cleanliness.</p> <p>Inspection dates applicable to the audit period of ParaCruz paratransit vehicles were November 3 - 4, 2021.</p> <p><i>*Due to the seating capacity being reduced on ParaCruz paratransit vehicles, CHP terminal inspections are no longer required. The last inspections were conducted in FY 2022.</i></p> <p>Inspections were found to be satisfactory.</p> <p><i>For Community Bridges – Lift Line:</i></p> <p>Inspections were conducted at the Lift Line Operations Facility located at 545 Ohlone Parkway in Watsonville.</p> <p>Inspection dates applicable to the audit period were June 28 and July 1, 2021; June 22 – 23, 2022;</p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		<p>October 2, 2023; and June 11 – 12, 2024.</p> <p>Inspections were found to be satisfactory.</p> <p>Conclusion: Complied.</p>
The operator’s claim for TDA funds is submitted in compliance with rules and regulations adopted by the RTPA for such claims.	Public Utilities Code, Section 99261	<p>As a condition of approval, the Santa Cruz County transit operators’ annual claims for Local Transportation Funds (LTF) and State Transit Assistance funds are submitted in compliance with the rules and regulations adopted by the SCCRTC.</p> <p>Conclusion: Complied.</p>
If an operator serves urbanized and non-urbanized areas, it has maintained a ratio of fare revenues to operating costs at least equal to the ratio determined by the rules and regulations adopted by the RTPA.	Public Utilities Code, Section 99270.1	<p>According to the SCCRTC <i>Rules & Regulations</i> manual (revised November 2022), Santa Cruz METRO is subject to the 50 percent expenditure limitation under the TDA (PUC 99268.1) in lieu of meeting the farebox recovery requirement (see Table IV-6 for the 50 percent expenditure calculation).</p> <p>Santa Cruz METRO is defined in the TDA as an older operator, having initiated service prior to July 1, 1974. Older operators may qualify for TDA under the 50 percent expenditure exemption or farebox recovery ratio standard. Pursuant to the TDA, Santa Cruz METRO meets the 50 percent expenditure limitation required by</p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		<p>Public Utilities Code, Section 99268 and does not use the alternate revenue ratio to determine eligibility for TDA funds.</p> <p>Conclusion: Complied.</p>
<p>The operator’s operating budget has not increased by more than 15% over the preceding year, nor is there a substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities unless the operator has reasonably supported and substantiated the change(s).</p>	<p>Public Utilities Code, Section 99266</p>	<p>Percentage increase in the Santa Cruz County transit operators’ operating budgets:</p> <p><i>For Santa Cruz METRO:</i></p> <p>FY 2022: +2.9% FY 2023: +7.7% FY 2024: +6.8%</p> <p><i>For Community Bridges (LTF/STA):</i></p> <p>FY 2022: +15.9% FY 2023: +52.7% FY 2024: -10.2%</p> <p><i>For Volunteer Center:</i></p> <p>FY 2022: -8.3% FY 2023: +22.0% FY 2024: -3.3%</p> <p>The operating budget increases exceeding 15 percent for Community Bridges are attributed to a 30 percent increase in insurance premiums, employee salary, and benefits. The 22 percent increase in the FY 2023 operating budget for the Volunteer Center is attributed to increased insurance costs,</p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		<p>recruitment, marketing, and mileage reimbursement.</p> <p><i>Source: Santa Cruz County transit operators' budgets for FYs 2021–2024</i></p> <p>Conclusion: Complied.</p>
<p>The operator's definitions of performance measures are consistent with Public Utilities Code Section 99247, including (a) operating cost, (b) operating cost per passenger, (c) operating cost per vehicle service hour, (d) passengers per vehicle service hour, (e) passengers per vehicle service mile, (f) total passengers, (g) transit vehicle, (h) vehicle service hours, (i) vehicle service miles, and (j) vehicle service hours per employee.</p>	Public Utilities Code, Section 99247	<p>The Santa Cruz County transit operators' definition of performance is consistent with PUC Section 99247, based on data collection methods and reporting.</p> <p>Conclusion: Complied.</p>
<p>If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating costs at least equal to one-fifth (20 percent), unless it is in a county with a population of less than 500,000, in which case it must maintain a ratio of fare revenues to operating costs of at least equal to three-twentieths (15 percent), if so determined by the RTPA.</p>	Public Utilities Code, Sections 99268.2, 99268.3, 99268.12	<p>According to the SCCRTC <i>Rules & Regulations</i> manual (revised November 2022), Santa Cruz METRO is subject to the 50 percent expenditure limitation under the TDA (PUC 99268.1) in lieu of meeting the farebox recovery requirement (see Table IV-6 for the 50 percent expenditure calculation).</p> <p>Conclusion: Complied.</p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
If the operator serves a rural area, or provides exclusive services to elderly and disabled persons, it has maintained a ratio of fare revenues to operating costs at least equal to one-tenth (10 percent).	Public Utilities Code, Sections 99268.2, 99268.4, 99268.5	<p>SCCRTC updated its <i>Rules & Regulations</i> manual in November 2022 that affirms Santa Cruz METRO is subject to the 50 percent expenditure limitation under the TDA (PUC 99268.1) in lieu of meeting the farebox recovery requirement (see Table IV-6 for the 50 percent expenditure calculation).</p> <p>Community Bridges and Volunteer Center are subject to a 10 percent local match requirement established by the SCCRTC. The TDA claim forms attest to at least a 10 percent local match to TDA allocations. However, the budget for Volunteer Center transportation shows less than a 10 percent local match through donations. With the shortfall in the local match, an alternative performance measure should be discussed between the SCCRTC and Volunteer Center as to which is allowable under PUC 99400(c) claims. Pursuant to a prior audit recommendation, in lieu of the 10 percent local match, the Volunteer Center, in concert with the SCCRTC, came up with a minimum number of riders of 1,000 per quarter metric.</p> <p>Conclusion: Complied.</p>
The current cost of the operator’s retirement system is fully funded with respect to	Public Utilities Code, Section 99271	Santa Cruz METRO contributes toward its employees’ defined benefit pension plan, the

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
the officers and employees of its public transportation system, or the operator is implementing a plan approved by the RTPA which will fully fund the retirement system within 40 years.		<p>Miscellaneous Plan for the Santa Cruz Metropolitan Transit District. The plan is part of the California Public Employees' Retirement System (CalPERS). There were 301 active members in the Plan as of June 30, 2024, who were required to contribute a percentage of their annual covered salary. Santa Cruz METRO also offers a deferred compensation plan under IRS Section 457.</p> <p>Community Bridges offers a deferred compensation plan for full-time employees, covering employees who have six consecutive months of service from the date of hire, as described in the memorandum of understanding (MOU) with SMART Local 23.</p> <p>Conclusion: Complied.</p>
If the operator receives state transit assistance funds, the operator makes full use of funds available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted.	California Code of Regulations, Section 6754(a)(3)	<p>Santa Cruz METRO receives State Transit Assistance funds in addition to federal funds that are available to the district as reported in the federal NTD reports:</p> <p>FY 2022: \$20,847,377 (Operations) \$1,496,889 (Capital) FY 2023: \$10,323,762 (Operations) \$4,234,641 (Capital) FY 2024: \$11,763,897 (Operations) \$257,957 (Capital)</p> <p><i>Source: National Transit Database</i></p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		Conclusion: Complied.

Findings and Observations from Operator Compliance Requirements Matrix

1. The Santa Cruz County transit operators complied with each of the 11 compliance requirements. Community Bridges and Volunteer Center are subject to a 10 percent local match requirement established by the SCCRTC. The TDA claim forms attest to at least a 10 percent local match to TDA allocations. The 10 percent local match for LTF funding by Volunteer Center has historically been met through donations. In lieu of the 10 percent local match, Volunteer Center in concert with the SCCRTC, came up with a minimum number of riders of 1,000 per quarter metric.
2. According to the SCCRTC *Rules & Regulations* manual (revised November 2022), Santa Cruz METRO is subject to the 50 percent expenditure limitation under the TDA (PUC 99268.1) in lieu of meeting the farebox recovery requirement. The agency met the 50 percent expenditure limitation under the TDA in lieu of meeting the farebox recovery requirement.
3. The Santa Cruz County transit operators (Santa Cruz METRO and Community Bridges - Lift Line) participate in the CHP Transit Operator Compliance Program and received vehicle inspections within the 13 months prior to each TDA claim. Satisfactory ratings were made for all inspections conducted during the audit period for both agencies. During an inspection on November 30, 2023, one Santa Cruz METRO vehicle was found having an obstructed emergency exit window due to the misapplication of an exterior vehicle body wrap and had to be taken out of service. In addition, there were minor discrepancies involving the completion of the daily vehicle inspection reports, broken mirrors, and vehicle cleanliness. In another development, due to the seating capacity being reduced on ParaCruz paratransit vehicles, CHP terminal inspections are no longer required. The last inspections pertaining to that service mode were conducted in FY 2022. No violations were noted for the Community Bridges' CHP inspections.
4. The operating budget for Santa Cruz METRO exhibited modest fluctuations during the audit period and did not exceed 15 percent. In contrast, the operating budgets for Community Bridges – Lift Line and the Volunteer Center did exhibit increases above 15 percent. The operating budget increases for Community Bridges are attributed to a 30 percent increase in insurance premiums, higher employee salaries, and benefits. The 22 percent increase in the FY 2023 operating budget for the Volunteer Center is attributed to increased insurance costs (for drivers), recruitment, marketing, and mileage reimbursement.

Section III

Prior Triennial Performance Recommendations

The Santa Cruz County transit operators' efforts to implement the recommendations made in the prior triennial audit are examined in this section of the report. For this purpose, each prior recommendation for the agency is described, followed by a discussion of the transit operators' efforts to implement the recommendation. Conclusions concerning the extent to which the recommendations have been adopted by the operator(s) are then presented.

Prior Recommendation 1

Continue to ensure the clarity of the performance eligibility criteria for TDA-Local Transportation Funds. (Santa Cruz METRO)

Background: Article 4 of the TDA statute provides alternatives for Santa Cruz METRO to be eligible for TDA-Local Transportation Funds. One is for Santa Cruz METRO to meet the farebox recovery ratio. The other is to meet the 50 percent expenditure rule as an older operator, defined as service starting prior to 1974. Currently, Santa Cruz METRO meets both requirements but the documentation stating eligibility has not been consistent. For example, the TDA claims submitted to the SCCRTC by Santa Cruz METRO provide a breakdown of the farebox recovery ratio split out between urbanized service versus non-urban service farebox ratios for the prior year and year-to-date.

The claim includes a table showing the projected urban versus rural farebox recovery ratio for the claim year. The allocation of fare revenue between rural and urban service is from the actual fare revenue/total revenue from two years prior and the budgeted claim year fare revenue. However, the resolutions submitted with recent TDA claims cite PUC Sections 99268.1 and 99268.2b, under which Santa Cruz METRO is classified as an older operator subject to the 50 percent expenditure limitation (PUC Section 99268.1) or the farebox recovery ratio (PUC Section 99268.2). Pursuant to the TDA, Santa Cruz METRO meets the 50 percent expenditure limitation and does not use the alternative revenue ratio to determine eligibility for TDA funds. Santa Cruz METRO and SCCRTC should discuss the applicability of each criterion and agree on which of the two meets compliance with rules and regulations for LTF.

METRO has since clarified that the agency and SCCRTC have discussed and agreed to use only the 50 percent expenditure limitation rather than farebox recovery on the TDA claims form to be consistent with METRO's audited financial statements for the FY 2022 TDA Claims.

However, METRO's inability to implement this prior recommendation was attributed to the prior triennial audit draft report being completed in February 2020 and the final report being completed in April 2020. On March 29, 2020, METRO had already submitted its FY 2021 draft and final TDA claim materials to SCCRTC, as per SCCRTC's FY 2020-21 TDA Funding Cycle Calendar. Therefore,

there was no time for METRO and SCCRTC to discuss the applicability of each criterion and agree on which of the two criteria meets compliance with rules and regulations for the LTF allocation. This recommendation has been implemented with the submittal of the ensuing TDA claims; however, it is suggested that subsequent TDA claim guidelines clarify the proper criteria. This clarity will provide consistency in reporting performance measures for LTF eligibility.

Actions taken by Santa Cruz METRO

SCCRTC updated its *Rules & Regulations* manual in November 2022 that affirms Santa Cruz METRO is subject to the 50 percent expenditure limitation under the TDA (PUC 99268.1) in lieu of meeting the farebox recovery requirement.

Conclusion

This recommendation has been implemented.

Prior Recommendation 2

Update aging website infrastructure. (Santa Cruz METRO)

Background: The Santa Cruz METRO website was redesigned with an upgraded content management system. This has resulted in better functionality. The website features METRO's refreshed logo, a Google Transit trip planner, and service calendar, as well as a Spanish version of the site. Website maintenance and coding are conducted in-house by the IT department. Even though the website continues to function well and supports METRO's efforts to inform and engage the community, the underlying infrastructure is 12 to 13 years old. This has inhibited further upgrades such as adding headers to the webpages. In addition, METRO's efforts in recent years to procure and implement CAD-AVL and mobile ticketing as well as the Cruz On-Demand pilot necessitate improvements to the website in order to integrate effectively with these recent developments. The new infrastructure could also provide a better interface with social media platforms and enhance accessibility.

Actions taken by Santa Cruz METRO

Santa Cruz METRO has made several recent upgrades to their transit system website as part of their Reimagine METRO initiative. The website has been redesigned to be more user-friendly, with easier navigation and access to schedules, service changes, and real-time updates. In addition, the website now provides detailed information about the increased frequency and new routes introduced under the Reimagine METRO plan. This includes more frequent service on popular routes and extended evening service. The site features updated trip planning tools, including integration with Google Transit, making it easier for riders to plan their trips. In addition, METRO has added sections for community feedback and updates on ongoing projects, ensuring riders are informed and can participate in the planning process.

Conclusion

This recommendation has been implemented.

Prior Recommendation 3

Continue to ensure the alignment of data analytics training for staff with the deployment of new technology. (Santa Cruz METRO)

Background: Santa Cruz METRO has placed a priority on replacing aging equipment and upgrading its communication infrastructure. Santa Cruz METRO has been in the process of implementing components of its intelligent transportation systems platform, which includes CAD-AVL, APCs, voice annunciators, and mobile ticketing apps. The agency is also seeking to procure a new ERP system as well as laying the groundwork for the integration of zero-emission vehicle infrastructure. The agency has placed an emphasis on KPIs as an essential performance monitoring tool. The deployment of these technologies requires that staff be kept abreast of how to analyze and integrate the performance data from these new systems. Therefore, it was suggested that METRO ensure continued data analytics training for staff as these technologies are implemented.

Actions taken by Santa Cruz METRO

The agency made significant strides in upgrading its technological infrastructure. During FY 2024, Santa Cruz METRO implemented Workday, its new enterprise resource planning software program. This upgrade replaces outdated legacy systems and manual processes, enabling electronic funds transfers, direct deposits, and more efficient financial reporting. In addition, the agency implemented Microsoft 365 as well as cybersecurity enhancements. Technology upgrades on the vehicles included implementation of the second phase of automated passenger counters (APCs) from Cleaver Devices. The new APCs are designed to enhance the efficiency and accuracy of ridership data collection. The Workday ERP software does have a KPI module, which has yet to be activated. In addition, the agency is considering the acquisition of TransTrack, a comprehensive transit operations software designed to help transit agencies manage and analyze their data effectively. With these new tools in place or under consideration, particularly with the implementation of Reimagine METRO, the agency is encouraged to optimize the modules contained in these tools to implement a useful KPI system for analysis and planning purposes.

Conclusion

This recommendation has been partially implemented and is being carried forward for full implementation. Santa Cruz METRO is encouraged to optimize the KPI features offered through the Workday ERP as well as look into the acquisition and implementation of TransTrack or another comparable transit operations tracking software program.

Prior Recommendation 4

Consider the development of Mobility as a Service (MaaS) option that would complement existing service modes. (Community Bridges – Lift Line)

Background: The recent integration of the Ecolane software program has given the Lift Line transportation service more tools with which to develop and implement Mobility as a Service (MaaS) option. Community Bridges has been considering the implementation of a complementary Mobility on Demand pay per ride taxi service. Community Bridges already has an existing business plan for a taxi service. The new Ecolane dispatching software has made it more efficient to combine rides and searches for the most accessible driver for trip requests. It also has a self-booking feature that is poised to be implemented in mid-2022. In addition, the software has an AVL feature tied to Google Maps. Furthermore, procurement of smaller, electric-powered vehicles would make the implementation of such a service more feasible.

Actions taken by Community Bridges – Lift Line

During the audit period, Lift Line launched the Access for All program, which aims to provide accessible transportation to residents with disabilities. Made possible by a state grant from the California Public Utilities Commission's (CPUC) Transportation Network Company's Access for All program, and administered by the SCCRTC, residents with disabilities can travel to any destination within Santa Cruz County for a flat fee of \$5.00 per ride. Older-income-eligible adults and people with disabilities can utilize the service at no cost. Rides can be scheduled through a mobile app developed through Ecolane. Rides are billed weekly every Friday. Fare payment can also be made through PayPal.

Conclusion

This recommendation has been implemented.

Prior Recommendation 5

Integrate the Transportation Program goals with those of the Grocery Shopper Program. (City of Santa Cruz – Volunteer Center)

Background: As part of its annual TDA claim submittal, the City of Santa Cruz on behalf of the Volunteer Program, provides a series of performance goals for its key programs. That has been generally for the Transportation Program. Goals for the program are reviewed each year and compared to actual data in the reports submitted to the City of Santa Cruz and the SCCRTC as conditions of receiving TDA funds. However, due to the COVID-19 pandemic, the Volunteer Center shifted focus and created the Seniors Grocery Shopper Program, which provides grocery and medication delivery services to its client base. The number of senior clients served measures performance. The Volunteer Center's goal is to serve 150 seniors with the Grocery Shopper

Program. It is suggested that as the Transportation Program resumes normal operations that the Volunteer Center can provide and integrate those program goals with those of the Grocery Shopper Program in its annual TDA claim.

Actions taken by the Volunteer Center – City of Santa Cruz

The Volunteer Center continued to maintain the Seniors Grocery Shopper Program during the audit period. Its focus has been on building back its volunteer driver pool since the COVID-19 pandemic. The center experienced huge declines in volunteer participation rates in 2022 and 2023. However, 12 new volunteers were onboarded in 2024 within a six-month period. Performance data are reported quarterly to SCCRTC and the City of Santa Cruz. Ridership statistics for both the Transportation Program and the Grocery Shopper Program are track on a spreadsheet compiled by Volunteer Center staff quarterly. However, the program goals for the Transportation Programs have yet to be integrated with those of the Grocery Shopper Program. It is suggested once the volunteer driver pool has recovered to pre-pandemic level that staff revisit setting measurable goals for both programs.

Conclusion

This recommendation has not been implemented and is being forwarded for full implementation.

Section IV

TDA Performance Indicators

This section reviews the Santa Cruz County transit operators' performance in providing transit service to the community in an efficient and effective manner. The TDA requires that at least five specific performance indicators be reported, which are contained in the following tables. Although farebox recovery ratio is not one of the five specified indicators, it is a requirement for continued TDA funding. Two additional performance indicators, operating cost per mile and average fare per passenger, are included as well to help gauge operational efficiency. Findings from the analysis are contained in the section following the tables.

Tables IV-1 through IV-5 provide the performance indicators for the Santa Cruz METRO system-wide service, including fixed-route and paratransit services, as well as indicators for Community Bridges/Lift Line and Volunteer Center. Graphs are also included to depict the trends in the indicators. It is noted that the system-wide operating costs and fare revenues are based on audited figures drawn from the financial statements, while modal costs and fare revenues for fixed-route and paratransit costs are unaudited and drawn from the federal National Transit Database (NTD). The annual fiscal audits do not provide a modal breakdown.¹ Also, only operations costs for Community Bridges are audited figures for the small operators, as the fiscal audits do not separate transportation costs and revenues from all programs provided by the nonprofit entities.

¹ The sum of operating expenses by mode reported in the NTD does not equal the audited total operating costs. The NTD operating costs by mode only reflect costs allocated by Santa Cruz METRO to that particular mode in following NTD guidelines. Additional operating costs are classified as other reconciling items in the NTD and are not separated by mode.

Table IV-1
Santa Cruz METRO TDA Performance Indicators
System-Wide

Performance Data and Indicators	FY 2021	Audit Period			% Change FY 2021-2024
		FY 2022	FY 2023	FY 2024	
Operating Cost	\$56,125,285	\$50,646,314	\$53,653,001	\$63,430,727	13.0%
Total Passengers	946,114	2,837,891	3,350,026	3,911,719	313.5%
Vehicle Service Hours	175,253	211,715	214,748	223,104	27.3%
Vehicle Service Miles	2,365,482	2,952,329	2,975,126	3,085,619	30.4%
Employee FTE's	291	279	314	356	22.3%
Passenger Fares	\$4,898,901	\$8,247,748	\$9,042,854	\$9,172,032	87.2%
Operating Cost per Passenger	\$59.32	\$17.85	\$16.02	\$16.22	-72.7%
Operating Cost per Vehicle Service Hour	\$320.25	\$239.22	\$249.84	\$284.31	-11.2%
Operating Cost per Vehicle Service Mile	\$23.73	\$17.15	\$18.03	\$20.56	-13.4%
Passengers per Vehicle Service Hour	5.4	13.4	15.6	17.5	224.8%
Passengers per Vehicle Service Mile	0.40	0.96	1.13	1.27	217.0%
Vehicle Service Hours per Employee	602.2	758.8	683.9	626.7	4.1%
Average Fare per Passenger	\$5.18	\$2.91	\$2.70	\$2.34	-54.7%
Fare Recovery Ratio	8.73%	16.28%	16.85%	14.46%	65.7%
CPI - (California Index - All Consumers)	4.2%	7.3%	3.9%	3.1%	

Source: SCMTD Financial Statements (Audited), National Transit Database, Transit Operators Financial Transactions Reports

Table IV-2
Santa Cruz METRO TDA Performance Indicators
Fixed Route

Performance Data and Indicators	FY 2021	Audit Period			% Change FY 2021-2024
		FY 2022	FY 2023	FY 2024	
Operating Cost	\$40,048,905	\$44,791,509	\$43,462,747	\$51,191,324	27.8%
Total Passengers	907,140	2,775,283	3,275,802	3,841,381	323.5%
Vehicle Service Hours	150,220	179,509	177,849	187,427	24.8%
Vehicle Service Miles	2,130,718	2,585,108	2,541,657	2,678,401	25.7%
Employee FTE's	254	241	276	308	21.3%
Passenger Fares	\$4,251,755	\$8,037,201	\$8,781,549	\$8,924,823	109.9%
Operating Cost per Passenger	\$44.15	\$16.14	\$13.27	\$13.33	-69.8%
Operating Cost per Vehicle Service Hour	\$266.60	\$249.52	\$244.38	\$273.13	2.4%
Operating Cost per Vehicle Service Mile	\$18.80	\$17.33	\$17.10	\$19.11	1.7%
Passengers per Vehicle Service Hour	6.0	15.5	18.4	20.5	239.4%
Passengers per Vehicle Service Mile	0.43	1.07	1.29	1.43	236.9%
Vehicle Service Hours per Employee	591.4	744.9	644.4	608.5	2.9%
Average Fare per Passenger	\$4.69	\$2.90	\$2.68	\$2.32	-50.4%
Fare Recovery Ratio	10.62%	17.94%	20.20%	17.43%	64.2%
CPI - (California Index - All Consumers)	4.2%	7.3%	3.9%	3.1%	

Source: National Transit Database, Transit Operators Financial Transactions Reports

Table IV-3
ParaCruz TDA Performance Indicators
Paratransit

Performance Data and Indicators	FY 2021	Audit Period			% Change FY 2021-2024
		FY 2022	FY 2023	FY 2024	
Operating Cost	\$5,013,166	\$5,316,792	\$5,106,574	\$5,814,281	16.0%
Total Passengers	38,974	62,608	74,224	70,338	80.5%
Vehicle Service Hours	25,033	32,206	36,899	35,677	42.5%
Vehicle Service Miles	234,764	367,221	433,469	407,218	73.5%
Employee FTE's	37	38	38	48	29.7%
Passenger Fares	\$114,807	\$210,547	\$261,306	\$247,209	115.3%
Operating Cost per Passenger	\$128.63	\$84.92	\$68.80	\$82.66	-35.7%
Operating Cost per Vehicle Service Hour	\$200.26	\$165.09	\$138.39	\$162.97	-18.6%
Operating Cost per Vehicle Service Mile	\$21.35	\$14.48	\$11.78	\$14.28	-33.1%
Passengers per Vehicle Service Hour	1.6	1.9	2.0	2.0	26.6%
Passengers per Vehicle Service Mile	0.17	0.17	0.17	0.17	4.0%
Vehicle Service Hours per Employee	676.6	847.5	971.0	743.3	9.9%
Average Fare per Passenger	\$2.95	\$3.36	\$3.52	\$3.51	19.3%
Fare Recovery Ratio	2.29%	3.96%	5.12%	4.25%	85.7%
CPI - (California Index - All Consumers)	4.2%	7.3%	3.9%	3.1%	

Source: National Transit Database, Transit Operators Financial Transactions Reports

Table IV-4
Community Bridges - Lift Line TDA Performance Indicators

Performance Data and Indicators	FY 2021	Audit Period			% Change FY 2021-2024
		FY 2022	FY 2023	FY 2024	
Operating Cost	\$1,567,508	\$1,672,860	\$1,908,364	\$2,676,029	70.7%
Total Passengers	20,970	32,683	45,473	53,735	156.2%
Vehicle Service Hours	35,304	17,476	14,413	22,583	-36.0%
Vehicle Service Miles	159,119	173,626	252,087	299,382	88.1%
Employee FTE's	20	16	16	19	-5.0%
Passenger Fares (donations)	\$2,144	\$6,517	\$4,252	\$6,650	210.2%
Operating Cost per Passenger	\$74.75	\$51.18	\$41.97	\$49.80	-33.4%
Operating Cost per Vehicle Service Hour	\$44.40	\$95.72	\$132.40	\$118.50	166.9%
Operating Cost per Vehicle Service Mile	\$9.85	\$9.63	\$7.57	\$8.94	-9.3%
Passengers per Vehicle Service Hour	0.6	1.9	3.2	2.4	300.6%
Passengers per Vehicle Service Mile	0.13	0.19	0.18	0.18	36.2%
Vehicle Service Hours per Employee	1,765.2	1,092.2	900.8	1,188.6	-32.7%
Average Fare per Passenger	\$0.10	\$0.20	\$0.09	\$0.12	21.0%
Fare Recovery Ratio	0.14%	0.39%	0.22%	0.25%	81.7%
CPI - (California Index - All Consumers)	4.2%	7.3%	3.9%	3.1%	

Source: Community Bridges Annual Financial Reports (audited) for operations costs; Community Bridges TDA Annual Reports.

Table IV-5
Volunteer Center TDA Performance Indicators

Performance Data and Indicators	FY 2021	Audit Period			% Change FY 2021-2024
		FY 2022	FY 2023	FY 2024	
Operating Cost	\$92,698	\$88,351	\$107,813	\$104,234	12.4%
Total Passengers	3,895	8,059	3,423	2,909	-25.3%
Vehicle Service Miles	178,987	87,593	121,308	131,188	-26.7%
Operating Cost per Passenger	\$23.80	\$10.96	\$31.50	\$35.83	50.6%
Operating Cost per Vehicle Service Mile	\$0.52	\$1.01	\$0.89	\$0.79	53.4%
Passengers per Vehicle Service Mile	0.02	0.09	0.03	0.02	1.9%

Source: Volunteer Center Quarterly Reports FYs 2021-2024

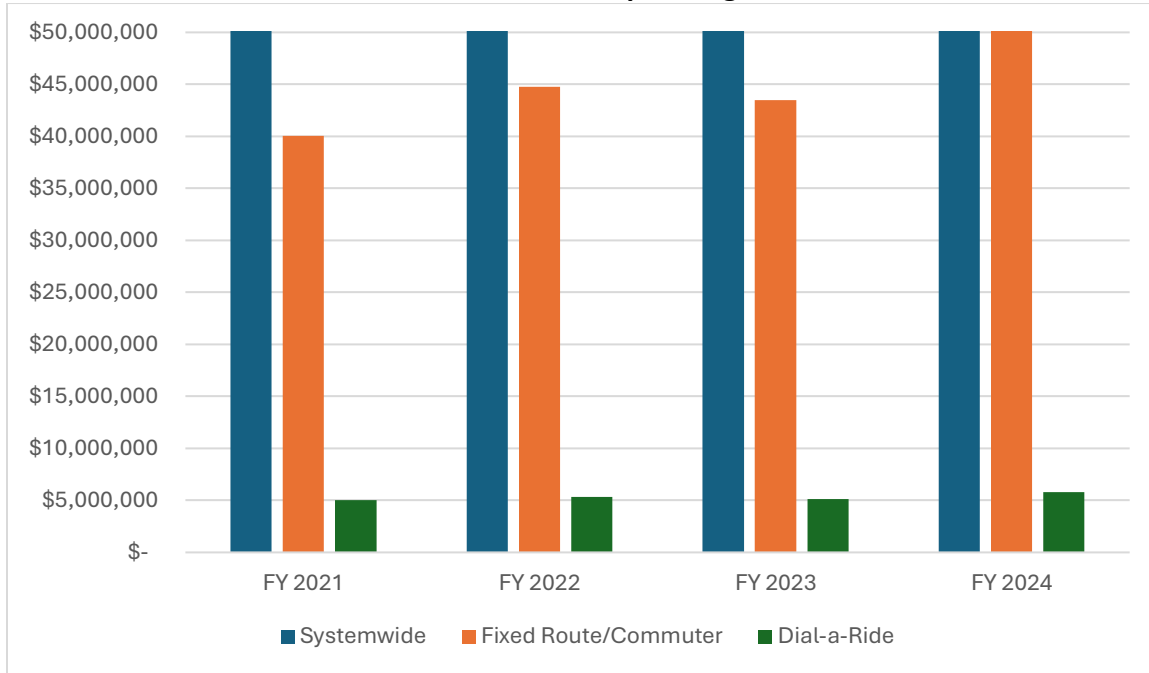
Santa Cruz METRO is defined in the TDA as an older operator, having started service prior to July 1, 1974. Older operators may qualify for the TDA under the 50 percent expenditure limitation (PUC Section 99268.1) or the farebox recovery ratio (PUC Section 99268.2). As described in Santa Cruz METRO’s financial compliance audit, the operator has met the 50 percent expenditure limitation. The calculation below by the performance auditor in Table IV-6 shows compliance with the expenditure limitation.

Table IV-6
50 Percent Expenditure Limitation

Line#	Description	FY 2022		FY 2023		FY 2024	
		\$ Amount	\$ Subtotal	\$ Amount	\$ Subtotal	\$ Amount	\$ Subtotal
1	Total Operating Cost	\$50,646,314		\$53,623,001		\$63,430,727	
2	Total Depreciation	\$5,421,450		\$6,062,911		\$6,508,960	
3	Total Capital Outlay	\$7,329,243		\$7,616,453		\$5,789,130	
4	Total Lines 1, 2 & 3		\$63,397,007		\$67,302,365		\$75,728,817
	Less Federal Ops Grants						
5a	Received	\$20,653,492		\$9,954,727		\$11,408,199	
	Less Federal Capital Grants						
5b	Rec'd	\$1,496,892		\$4,234,640		\$257,947	
6	Less LTF Capital Intensive	\$0		\$0		\$0	
7	Less STAF Received	\$4,437,224		\$6,362,055		\$5,588,858	
8	Total Lines 5, 6 & 7		\$26,587,608		\$20,551,422		\$17,255,004
9	Total Line 4 Less Line 8		\$36,809,399		\$46,750,943		\$58,473,813
10	50% of Line 9	\$18,404,700		\$23,375,472		\$29,236,907	
	Add amount of LTF Claimed						
11	in Excess of Line 9 for Match	\$5,163,373		\$2,488,682		\$2,852,050	
	to Federal Operating Grant						
12	Add LTF Capital Intensive	\$0		\$0		\$0	
13	Total Permissible LTF Expenditure		\$23,568,073		\$25,864,153		\$32,088,956
14	Total LTF applied to Operations		\$8,592,943		\$10,166,800		\$8,912,046

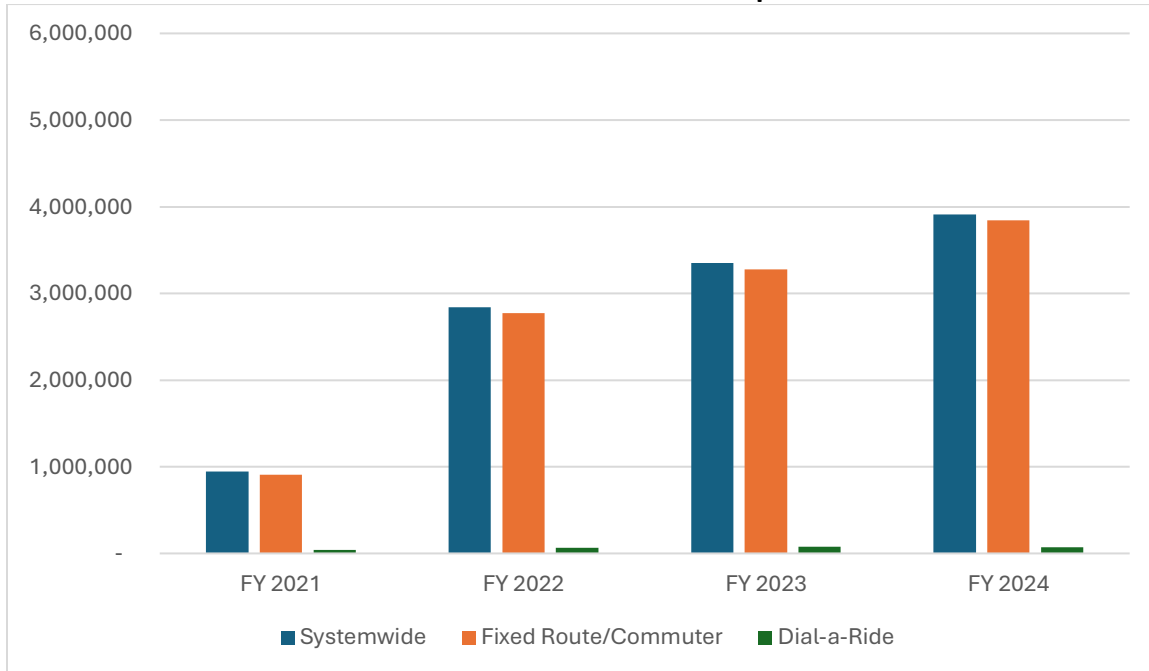
Source: SCMTD Financial Statements (Audited); Michael Baker International calculation

Graph IV-1
Santa Cruz METRO Operating Costs

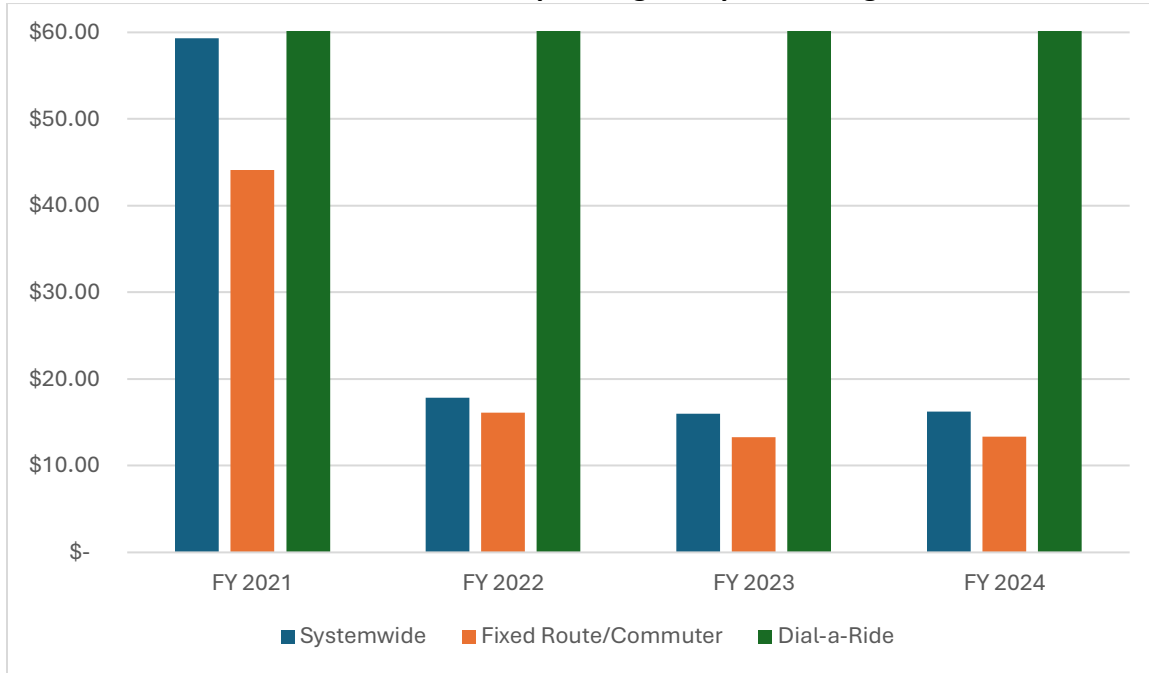


Note: System-wide operating costs are drawn from audited data, while data by mode are unaudited using NTD data.

Graph IV-2
Santa Cruz METRO Ridership

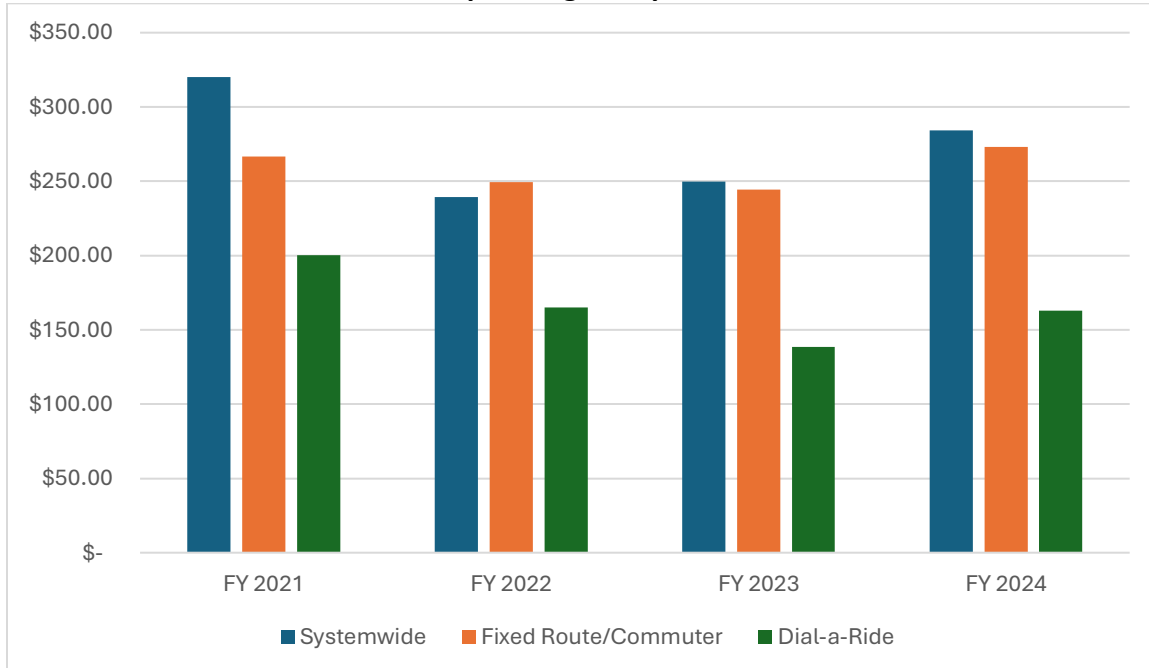


Graph IV-3
Santa Cruz METRO Operating Cost per Passenger



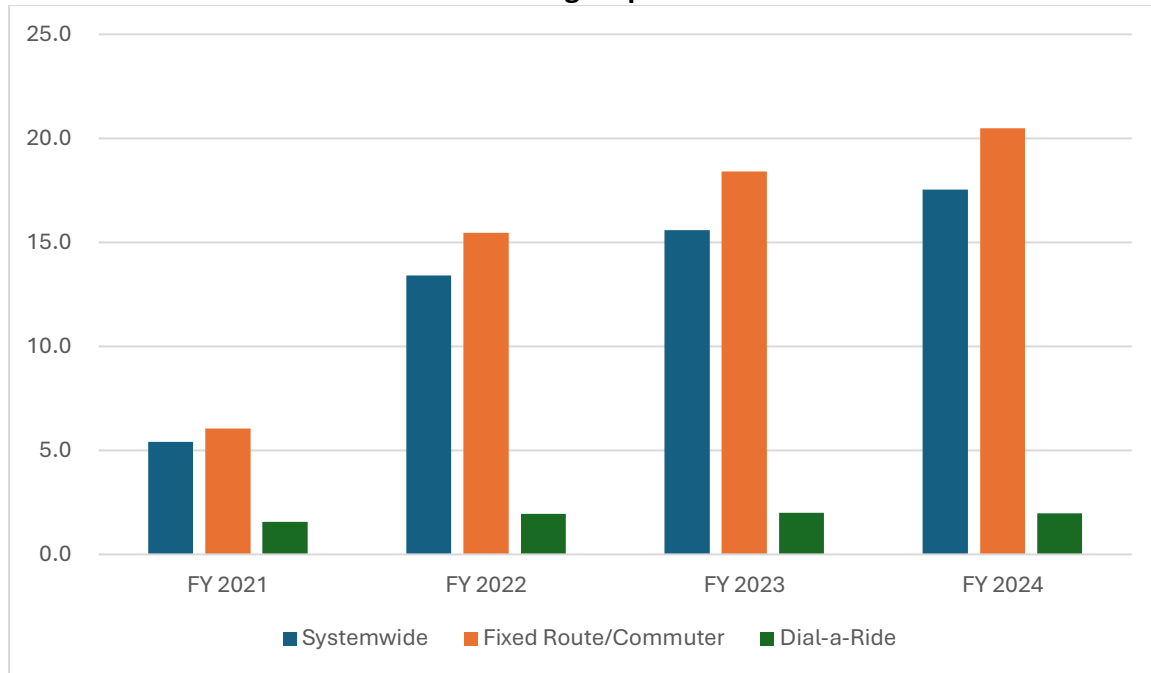
Note: System-wide operating costs are drawn from audited data, while data by mode are unaudited using NTD data.

Graph IV-4
Santa Cruz METRO Operating Cost per Vehicle Service Hour

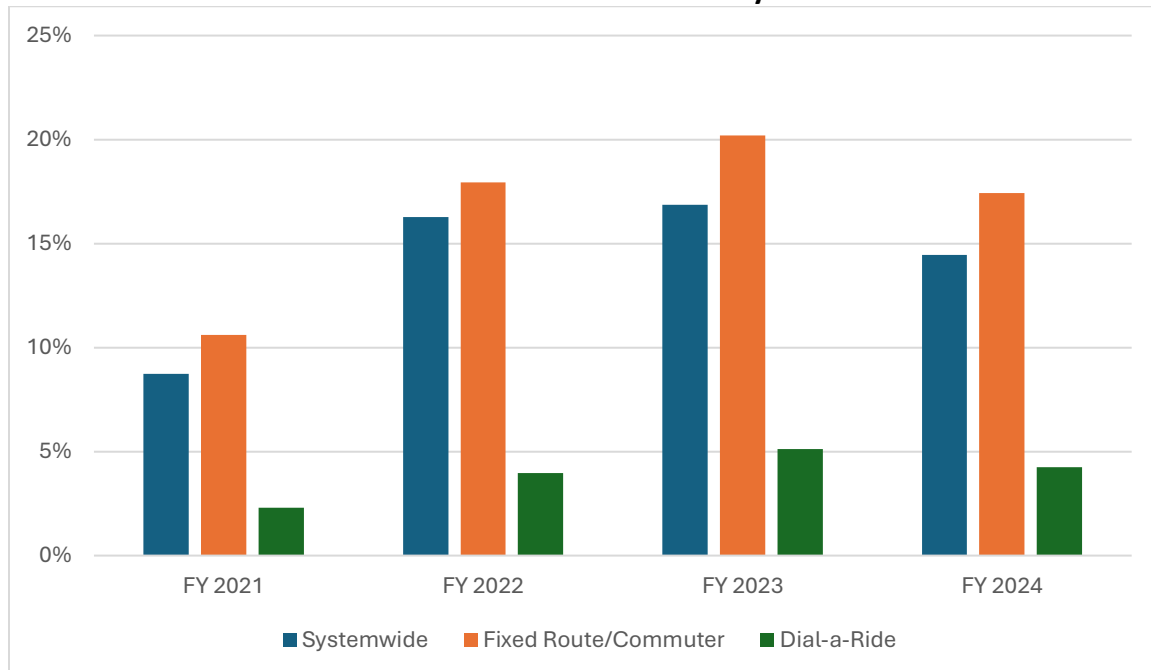


Note: System-wide operating costs are drawn from audited data, while data by mode are unaudited using NTD data.

Graph IV-5
Santa Cruz METRO Passengers per Vehicle Service Hour



Graph IV-6
Santa Cruz METRO Fare Recovery Ratio



Note: System-wide operating costs are drawn from audited data, while data by mode are unaudited using NTD data.

Findings from Verification of TDA Performance Indicators

Recovery from the COVID-19 pandemic and statewide shelter-in-place order heavily impacted service throughout this audit period. Various performance measure trends are described below.

1. **Operating Costs:** Santa Cruz METRO operating costs increased 13.0 percent system-wide over the period based on audited data from the FY 2021 base year through FY 2024. System-wide operating costs reflect all costs and exclude depreciation costs. Using unaudited modal operating cost data drawn from the NTD, operating costs increased by 27.8 percent for fixed-route and increased by 16.0 percent for ParaCruz.² According to the annual financial audit, the trend in system-wide operating cost increases was due to increases in personnel expenses related to wage increases and contractual obligations pursuant to labor agreements negotiated during the audit period, as well as implementation costs for a new ERP business management system. Community Bridges' Lift Line operating costs increased substantially by 70.7 percent due to a return to pre-pandemic service levels. Volunteer Center transportation costs increased by 12.4 percent for the audit period.
2. **Passenger Trips:** Ridership on Santa Cruz METRO increased by 313.5 percent system-wide during the audit period. Fixed-route ridership soared by 323.5 percent, rebounding from 907,000 to 3.8 million passengers between the FY 2021 base year and FY 2024. ParaCruz ridership increased by 80.5 percent, from 39,000 to 70,000 riders over the same period. Overall, these metrics mark a return of 76.1 percent of pre-pandemic (FY 2019) fixed-route ridership in FY 2019, and a return to 95.7 percent of pre-pandemic ParaCruz ridership. Lift Line ridership increased 156.2 percent during the audit period by more than 33,000 passengers. Volunteer Center transportation ridership decreased 25.3 percent for the period, from 3,900 to 2,900 passengers. For Santa Cruz METRO and Lift Line, the trend in this indicator reflects a significant return in passengers following the COVID-19 pandemic, including the return of students to campus at University of California Santa Cruz (UCSC) which significantly impacted Santa Cruz METRO's fixed-route service.
3. **Vehicle Service Hours and Miles:** The provision of revenue hours and miles by Santa Cruz METRO increased system-wide during the audit period, 27.3 percent, and 30.4 percent, respectively. Fixed-route revenue hours and miles increased 24.8 percent and 25.7 percent, respectively. ParaCruz revenue hours and miles also increased by 42.5 percent and 73.5 percent, respectively. Although Santa Cruz METRO's hours of service have nearly returned to pre-pandemic levels, an ongoing driver shortage (which has impacted transit providers across the country) has meant that service hours are still lower than they were in FY19. For Lift Line, vehicle service hours decreased during the audit period by 36.0

² The sum of operating expenses by mode reported in the NTD do not equal the audited total operating costs. The NTD operating costs by mode only reflect costs allocated by Santa Cruz METRO to that particular mode based on NTD guidelines, which excludes depreciation costs. Additional operating costs are classified as other reconciling items in the NTD and not separated by mode.

percent, while miles actually increased 88.1 percent. Volunteer Center vehicle service miles decreased 26.7 percent, from 179,000 in FY 2021 to 131,000 in FY 2024.

4. **Operating cost per passenger**, an indicator of cost effectiveness, decreased by 72.7 percent system-wide for Santa Cruz METRO using audited data. On a modal basis using NTD data, cost per passenger for fixed-route and ParaCruz decreased by 69.8 percent and 35.7 percent, respectively. The trends for these indicators using audited costs reflect ridership rebounding even as operating costs grew. Operating cost per passenger for Lift Line decreased by 33.4 percent as ridership increased significantly faster than costs did. Volunteer Center’s cost per passenger increased 50.6 percent as ridership decreased.
5. **Operating cost per hour**, an indicator of cost efficiency, system-wide decreased 11.2 percent using audited data for Santa Cruz METRO as operating costs and vehicle hours increased at the same pace during the audit period. On a modal basis using NTD costs, the performance trend showed a slight increase of 2.4 percent for fixed-route service and a decrease for ParaCruz of 18.6 percent. As noted in this section, the NTD costs by mode do not show all operations costs compared to the system-wide audited figures. Lift Line operating cost per hour increased by 166.9 percent as the number of vehicle hours fell sharply.
6. **Passengers per vehicle service hour**, which measures the effectiveness of the service delivered, exhibited a significant increase on Santa Cruz METRO system-wide, from 5.4 passengers to 17.6 passengers per hour. The trend in this indicator was driven primarily by fixed-route service, as the number of passengers per vehicle hour increased from 6 passengers per hour to 20.5 passengers per hour. For ParaCruz, passengers per hour remained fairly stable at 2.0 passengers per hour. For Lift Line, with a much smaller rider base, this performance indicator showed an immense increase of 300.6 percent with the number of passengers increasing from 0.6 to 2.4 passengers per hour during the audit period.
7. **Farebox Recovery:** The fare recovery ratio remained relatively strong over the audit period for Santa Cruz METRO. For the three-year period, the system-wide farebox averaged 17.1 percent compared to only 8.7 percent in FY 2021. Separately, fixed-route farebox recovery averaged 18.53 percent for the three years, while ParaCruz averaged 4.44 percent. Santa Cruz METRO is subject to the 50 percent expenditure limitation under the TDA (PUC 99268.1) in lieu of meeting the farebox recovery requirement.

Section V

Review of Operator Functions

This section provides an in-depth review of various functions within each of the Santa Cruz County transit operators. The review highlights accomplishments, issues, and/or challenges that were determined during the audit period. The following functions were reviewed at the Santa Cruz METRO's and Volunteer Center's offices in Santa Cruz and the Community Bridges – Lift Line offices in Watsonville:

- Operations
- Maintenance
- Planning
- Marketing
- General Administration and Management

Within some departments are subfunctions that require review as well, such as Grants Administration that falls under General Administration.

Operations

Santa Cruz METRO

During the audit period, Santa Cruz METRO's operations saw expanded service levels and changes in its executive leadership as it recovered from the COVID-19 pandemic. Santa Cruz METRO continued to maintain a forward and innovative outlook in keeping with its mission statement:

To provide a public transportation service that enhances personal mobility and creates a sustainable transportation option in Santa Cruz County through a cost-effective, reliable, accessible, safe, clean, and courteous transit service.

Moreover, the agency's vision is to create a sustainable transportation system that reduces harmful carbon emissions and provides fast, frequent, and reliable public transportation options. METRO aims for 100 percent zero-emission bus service and strives to develop affordable, transit-oriented housing to improve the quality of life in Santa Cruz County.

Operations are conducted from the Judy K Souza Operations Facility (JKS) located at 1200 River Street in Santa Cruz. The facility is named after the district's first female bus driver and supervisor, Judy K. Souza, who passed away in 2011. Her career spanned 32 years, beginning as a driver and eventually becoming Superintendent of Operations. The JKS Facility houses dispatching and

training facilities as well as a base for operators and supervisory personnel. The site also includes a service lane, a CNG fueling station, parking, four battery electric bus (BEB) charging stations with conduit ready for an additional six charging stations. According to METRO's Zero Emission Vehicle Rollout Plan, the parking available to METRO at the JKS facility is not sufficient to house its entire fleet, with about 10 percent of the fleet being required to park at the maintenance facility across the street from JKS facility.

The most significant development has been the implementation of Reimagine METRO, rolled out in FY 2024. The Reimagine METRO system redesign is a comprehensive initiative aimed at improving the efficiency and accessibility of Santa Cruz METRO's transit services. The redesign focuses on providing more frequent and reliable service in high ridership corridors and areas where transit is essential while ensuring that changes do not disproportionately impact disadvantaged communities, in compliance with Title VI of the Civil Rights Act of 1964. The first phases of implementation took place in December 2023 and were cost neutral. The agency hired and trained over 100 operators, going from 155 to 250 budgeted positions. Additional personnel hired included supervisors and maintenance technicians.

As part of this initiative, Santa Cruz METRO purchased 53 New Flyer hydrogen-powered, fuel cell electric buses including nine 60-foot ARTIC (articulated) vehicles. This constitutes the largest acquisition of hydrogen buses in the United States. In addition, METRO procured five Gillig battery-electric vehicles as well as 13 buses from the Orange County Transportation Authority (OCTA) and 10 buses from the San Diego Metropolitan Transit System (MTS). The ARTIC vehicles are deployed on routes serving UCSC.

In April 2021, METRO launched a one-year Mobility on Demand (MoD) pilot service called Cruz On-Demand. This was the agency's first endeavor into MoD, which would allow for greater service coverage in Santa Cruz County. Cruz On-Demand pilot was a shared ride service utilizing smaller vans operated by ParaCruz drivers. The service area comprised 0.75 miles of any Santa Cruz METRO fixed route excluding the Highway 17 route and the UCSC campus. Trips could be booked up to 24 hours in advance through the Ecolane app scheduling feature. METRO actively collected rider feedback throughout the pilot to assess efficiency, rider satisfaction, and cost-effectiveness. With the assistance of Ecolane, adjustments were made to improve scheduling and coverage. The pilot aligned with METRO's broader Reimagine METRO initiative to modernize and diversify transit offerings.

The Pacific Station Transit Center, located in downtown Santa Cruz, closed on February 8, 2024, for demolition and redevelopment. Transit operations and customer service were moved to the temporary River Front Transit Center on February 12, 2024. The redevelopment is expected to take two years. The project will transform Pacific Station into a transit-oriented mixed-use complex featuring 126 units of affordable housing, retail spaces, office spaces, and onsite transit services.

During the audit period, METRO steadily upgraded its intelligent transportation system (ITS) infrastructure. These ITS enhancements have included the implementation of Cleaver Devices

Automatic Vehicle Location (AVL) and Automatic People Counters (APCs) on the METRO fleet in December 2022. METRO was under contract with Syncromatics during the years of 2018 through May 2022. The company was tasked with providing METRO with annual on time performance and other reporting data. The company proved to be unreliable, and the data was inconsistent related to on time performance, transmission of data to vehicles and a multitude of key performance indicators.

The Clever Suite is listed in METRO’s Enterprise Systems Catalog as a core platform for:

- Real-time transit data
- Passenger counting
- AVL tracking
- GTFS feed generation

It is actively used by METRO’s Planning, Operations, and IT departments, with daily data collection and updates.

The AVL system tracks the real-time location of buses across the METRO network. Enables dispatchers to monitor and manage vehicle movements with precision. It supports real-time passenger information systems (RTPI), including apps and signage, powers service disruption alerts and detour notifications via GTFS-RT feeds. In addition, the AVL Integrates with CleverCAD, a dispatch and control platform that facilitates direct communication with operators and route management.

The APCs collect accurate boarding and alighting data, which help METRO analyze ridership trends, optimize service levels as well as inform planning decisions and compliance reporting. They also support occupancy management, allowing riders to view crowding levels in real time. METRO is among the first agencies to implement GTFS-RT Trip Modifications, allowing real-time detour and stop change data to be shared directly with riders via the Transit app. This enhances transparency and improves the rider experience during service disruptions.

The on-time performance standard METRO is 80 percent. Schedule adherence and on-time performance for several bus routes have been challenging for a variety of reasons, including construction along the SR-1 corridor between Santa Cruz and Watsonville, narrow travel corridors, and congestion. Santa Cruz METRO’s definition of “on-time” departures from timepoints is not early and no more than 5 minutes late. Its system-wide on-time goal is 72 percent of all departures, according to the Short-Range Transit Plan (SRTP). For FY 2024, fixed-route on-time performance averaged 67.20 percent.

The majority of Santa Cruz METRO’s ridership is considered transit dependent. Discretionary riders have historically been drawn to the Highway 17 Express route, which offers a viable alternative to commuters traveling to the Santa Clara Valley and other Bay Area destinations. The Highway 17 Express route took the longest to recover from the COVID-19 pandemic. The service has recovered only about 50 percent of its pre-COVID ridership. The route operates 30-minute headways seven

days a week, which is heavily utilized by UCSC students. METRO did revamp the service to coordinate with Caltrain at the San Jose Diridon Station, which resulted in a 10 percent increase in ridership.

ParaCruz serves ADA-certified riders and its operating hours mirror those of the fixed route. The service celebrated its 20th anniversary in 2024. With changes to the taxi industry resulting from the influx of ride-hailing companies such as TNCs, local taxi services have limited means to provide reliable backup for ParaCruz. The use of larger wheelchairs by customers has heightened challenges given the limited space on the vehicle, weight of the wheelchairs, and security restraint system. To address these challenges, half of the ParaCruz fleet consists of newer vehicles with rear lift capacity and Q'Straint wheelchair securement systems.

On-time performance for ParaCruz averaged 86.43 percent for the audit period. On Time performance is calculated as number of on-time trips divided by total number of trips with actual pick-up information. According to ParaCruz Ecolane trip reports, on-time performance for the vehicle arriving within the ready window averaged 92.04 percent in FY 2022, 83.35 percent in FY 2023, and 83.91 percent in FY 2024. Other performance factors for ParaCruz, such as the percentage of passenger no-shows, remained at or slightly above the goal of less than 3 percent of trips requested, which meets general industry standard. ParaCruz has exhibited improved performance, with a no-show rate around three percent. Cancellations during the audit period were 19.24 percent in FY 2022 and 20.91 percent in FY 2023. Cancellation data for FY 2024 were unavailable.

Also, there were no denied rides. ParaCruz has a no-show policy that is not typically enforced due to the small number of no-shows. The policy when enforced involves sending a letter to those with an excessive number of no-shows. If a customer takes 24 rides or more within a 12-month period without being assessed a “No-Show”, he/she shall be allowed one round-trip ride free of charge.

Chargeable occurrences, or preventable accidents/incidents, are tracked and reviewed. METRO reported 24 chargeable accidents in FY 2021; 53 in FY 2022; and 50 in FY 2023. Chargeable accident data for FY 2024 were unavailable. Santa Cruz METRO has an accident review committee that reviews preventable accidents/incidents for the month. The committee is overseen by the assistant safety and training coordinator.

Dispatching and bus scheduling is conducted using the Hastus software system for fixed route and Ecolane for ParaCruz. Key elements of Ecolane include real-time mapping features as well as the ability to batch rides automatically, improved on-time performance monitoring, and NTD reporting. The automated features can create a more productive schedule for the ParaCruz driver. The driver can override the system manually. Staff are cross trained in both systems to enable flexibility in staffing and ample shift coverage. ParaCruz reservations can be booked directly into the Ecolane system. Paratransit vans have mobility safety devices to improve ergonomics and safety for both the passengers and the driver.

Community Bridges

Community Bridges' Lift Line demonstrated significant progress in expanding service accessibility, modernizing its fleet, and enhancing operational capacity. These accomplishments reflect the agency's commitment to sustainable, equitable, and responsive transportation services for vulnerable populations in Santa Cruz County. Lift Line continued providing trips to essential services during the pandemic based on demand. This also included providing rides to vaccination centers. The agency added weekday and weekend service capacity by hiring additional drivers, improving access to transportation during non-traditional hours. Ridership rebounded to pre-pandemic levels by FY 2025.

Elderday Adult Day health center transportation remains Lift Line's largest program. Congregant center rides on the Elderday service increased by more 15 percent due to daily attendance increasing from 40 passengers to 70 passengers. Passengers from Lift Line's programs may share vehicles; however, Lift Line works to efficiently dedicate trips for each program. Community Bridges is also a participant in the City of Santa Cruz emergency resource program list of organizations that can assist during an emergency. As the CTSA for Santa Cruz County, Community Bridges coordinates transportation with social service agencies and participates through the SCCRTC Elderly and Disabled Transportation Advisory Group to identify and discuss program issues and needs in addition to providing justification for the TDA claim.

Community Bridges had been considering the implementation of a complementary Mobility on Demand pay per ride taxi service. Lift Line expanded its door-to-door transportation services to all residents with disabilities in Santa Cruz County and northern Monterey County, regardless of income. This initiative was supported by a state grant from the CPUC's Transportation Network Company's Access for All program and administered by SCCRTC. Under this program, residents with disabilities can travel to any destination within Santa Cruz County, significantly broadening the program's reach. Lift Line launched the Access for All program, which aims to provide accessible transportation to residents for a flat fee of \$5.00 per ride. Older-income-eligible adults and people with disabilities can utilize the service at no cost. Rides can be scheduled through a mobile app developed through Ecolane. The agency reports 25 to 30 active users of the mobile app. Rides are billed weekly every Friday. Fare payment can also be made through PayPal.

The reasons cited by riders for using Lift Line have expanded as Community Bridges increases its visibility in the community. Trips are provided to more than just social events but also for outpatient medical services such as physical therapy and counseling. The diversity of reasons for taking Lift Line aligns with County policy to address senior living and reduce isolation. In addition to receiving TDA funds and donations, Community Bridges has separate contracts with the local jurisdictions that support the transportation services. Contracts are in place with the Cities of Capitola, Santa Cruz, Scotts Valley, and Watsonville and the County for services such as transportation for senior and low-income residents to medical appointments and dining centers within their respective jurisdictions.

Community Bridges, through Lift Line and the Family Resource Collective, played a vital role in responding to the Pajaro flooding disaster in neighboring Monterey County following the levee breach on March 11, 2023. Lift Line provided evacuation transportation for older adults and people with disabilities. Residents were advised to schedule rides before evacuation orders were issued to ensure safe transport.

Lift Line has continued to optimize its Ecolane dispatching and scheduling software program during the audit period. Ecolane dispatching software has made it more efficient to increase capacity, combine rides and search for the most accessible driver for trip requests. In addition, the software has an AVL feature tied to Google Maps. The automated scheduling is integrated with mobile data terminals (MDTs) in the vehicles, which allows for changes to be made en route and track rides. The MDTs allow the drivers to communicate with dispatch. As rides are completed, the MDTs tag completed rides with real-time pick up and drop off data and highlight these times in blue, making it easier for the dispatchers to monitor all rides. Likewise, uncompleted, or unassigned rides are highlighted in red to inform the dispatcher of the priority of pending trips. Lift Line's dispatch and scheduling system still maintains some manual components, to be used in the event power is disrupted or due to technical difficulties.

Another feature of Ecolane is the ability to track on-time performance. This metric is tracked for all drivers, and an average is calculated for the system on an annual basis. The on-time performance is a 30-minute pickup window, with the pickup no sooner than 10 minutes before the scheduled pickup time and not less than 20 minutes after the scheduled pickup time. The time of pickup is documented by drivers and tracked by the MDTs and AVL system. On-time performance averaged 88 percent in FY 2022; 89 percent in FY 2023; and 90 percent in FY 2024.

A no-show policy reduces inefficiencies caused by passengers' failures to meet their assigned trip. The policy defines no-shows and identifies ways that passengers can avoid this issue. A suspension penalty could occur for a pattern of this behavior. Community Bridges tracks no-shows for three programs—Medical, Meals on Wheels, and Elderday. The no-show rate compared to total trips for these programs was 5.18 percent in FY 2022, 5.01 percent in FY 2023, and 3.94 percent in FY 2024. The industry standard rate is below 5 percent. Since the implementation of Ecolane, the Interactive Voice Response (IVR) feature has minimized no-shows and cancellations. The IVR tool calls passengers the night before the scheduled trip as well as the day of the scheduled trip. Passengers can also utilize the IVR feature to book and cancel rides.

Complaints collected by Community Bridges are formally documented, ranging between 1 and 9 per year. When a complaint is received, a narrative of the incident is composed by a staff member. Beginning in FY 2024, the agency implemented the Lift Line Comment Report form to document complaints and compliments. The Comment Report documents the person filing the report, contact agency (e.g., Lift Line), client information, location of the incident, date and time, driver, and vehicle information as well as an explanation of the incident. Complaints are forwarded to the executive assistant and manager on duty for review. A copy of the complaint is also forwarded to the operations manager, program director or fleet and facilities manager depending on the nature and seriousness of the complaint.

The number of accidents reported in the TDA-STA quarterly report were 2 in FY 2022, 6 in FY 2023, and 0 in FY 2024. The number of incidents, which could be any reported activity by Lift Line during operations, were 0 in FY 2022, 4 in FY 2023, and 0 in FY 2024. Each vehicle is equipped with four cameras: two external and two internal cameras.

Volunteer Center

The program serves 201 senior clients, supported by 118 volunteers, and regularly transports riders to 279 favorite destinations. The grocery shopping service remains active, with four volunteers using bicycles. Eight volunteers drive electric vehicles. Donation protocols include remittance envelopes carried by drivers, online donations, and annual appeals to churches and service clubs, generating approximately \$2,000 annually. New clients fill out a registration form and are contacted by the dispatcher to confirm their eligibility through age (60+) or disability. The average age of riders is 78 years of age.

Trips are prioritized by Volunteer Center in order of 1) medical, 2) shopping, and 3) other essential destinations that contribute to the overall health and wellbeing of the individual (for example: fall prevention classes) and could include multiple stops during the trip. Each rider is limited to two trips per week with medical appointments taking priority. The primary ridership is seniors who are ambulatory; drivers and their passengers stay together and form a bond. Reservations are made between 5 and 7 days in advance to secure a driver. Volunteer Center will send a letter to riders who fall into a habit of not following general ride guidelines, including canceling their trips or not showing. Drivers will also conduct welfare checks on their passengers.

Google Hub is utilized for remote dispatching, enabling efficient coordination and mileage tracking via Google Maps. Through The Hub platform, staff and drivers can leave notes for the dispatchers. The platform is integrated with Google Voice, which allows volunteers to notify of their availability from home. The Hub also provides integrated matching through Google Maps. The software has reduced the time spent coordinating individual rides and has increased the quality of service to clients by standardizing the coordination process between dispatcher volunteers; eliminating time-consuming handwritten dispatch processes; enabling the auto-tracking of drivers through Google Maps; automating repetitive tasks like driver check-ins, email composition, and ride matching; and quickly generating program reports and statics. Overall, the software has streamlined the program's administration and simplified complex, volunteer-run processes, enabling existing resources to be used more efficiently.

Client profiles are created in the software to capture data for creating successful trips. Data are stored on the “Firestore” Google Cloud Platform product, which reduces physical storage needs. Dispatchers send emails to the drivers with a list of ride needs and drivers select the trips to make. Dashboard summaries are available that show pertinent trip data. Alerts are also made when drivers need to renew their license, thus keeping Volunteer Center and drivers aware of important actions. The software can capture key data such as trip distance and time through the Google map system, which visually shows the direction of the trip from point to point.

The Volunteer Center participated in a "muck-out" flood disaster recovery effort in Pajaro (northern Monterey County/southern Santa Cruz County) by helping clean out flooded homes that were inundated in March 2023. There were approximately 6,000 residents displaced. Hundreds of volunteers also participated in the wildfire evacuations and relief efforts in Felton Grove. The agency received a state grant and partnered Meals on Wheels to provide disaster preparedness kits. Sixty-five transportation participants were assisted with disaster planning kits.

Personnel

Santa Cruz METRO

Nonexempt employees are represented by two unions: Service Employees International Union (SEIU) Local 521 and the International Association of Sheet Metal, Air, Rail and Transportation Workers (SMART) Local 23. The SEIU represents Santa Cruz METRO employees, including the Professional Supervisors Association, Salaried Employees Association, and Vehicle Maintenance Unit. SMART represents employees for the ParaCruz operation. Labor agreements in place during the audit period went into effect during the audit period. Communication between the agency and the union has been described as good and collaborative.

The current MOU between Santa Cruz METRO and SEIU Local 521 went into effect for a three-year period from July 1, 2023, through June 30, 2026. The MOU incorporates pay increases and payout bonuses to employees covered under the MOU. Two separate labor agreements between Santa Cruz METRO and SMART Local 23 were also approved during the audit period for a three-year term from July 1, 2023, through June 30, 2026. The pay rate schedule and paid leave provisions were modified.

Santa Cruz METRO pays medical premiums depending on bargaining union contract requirements. Union leadership fosters a cooperative relationship between Santa Cruz METRO and the unions as evidenced by the union agreement to defer the cost-of-living adjustment, which has maintained the number of drivers. A summary of employees for both Santa Cruz METRO and ParaCruz during the period is presented in Table V-1:

Table V-1
Santa Cruz METRO Employee Count

	FY 2022	FY 2023	FY 2024
Santa Cruz METRO Bus/All Other	241	269	346
ParaCruz DAR	38	38	48
Total Employees	279	307	394

Source: Santa Cruz METRO

Santa Cruz METRO has focused on increasing their operator count since the last audit. Since the last audit, they have increased their ParaCruz operator count from 31 to 38 and have added 155 fixed route operators. A single recruiter found most of these operators. The focused skillset for

new hires was customer service, with most having a background in retail and restaurants, although they did have some with experience as delivery drivers. Three trainers have trained all the new hires from either little or no experience to the status of capable drivers. Routes are bidded out based on seniority. METRO maintains an extraboard composed of 45 drivers.

Santa Cruz METRO implemented several new methods of recruitment during the period. The agency implemented a hiring bonus of up to \$4,000 for new operators. The \$4,000 hiring bonus is paid as follows:

- \$500 after training.
- \$1,500 after probation; and
- \$2,000 one year after probation (approximately 2,080 hours worked).

In October 2022, METRO extended the hiring bonus to mechanics. METRO has since scaled back employee incentive programs since the last audit. However, the agency has indicated a willingness to bring back more of the incentives in 2025 once they are finished with onboarding all their new employees. There are also plans to create an advisory committee for the incentive program to get operator input on agency improvements.

Training is conducted in-house and in person. Operations has been working with Human Resources to obtain online training courses. Operators undergo eight hours of recurring Verification of Transit Training annually. In addition, each operator is required to attend eight hours of annual safety training. With the addition of the new articulated buses, the training protocol has been expanded. DMV pull notices are monitored daily. Employees also undergo trainings regarding sexual harassment and violence in the workplace every three years as required by Santa Cruz METRO's Sexual and Gender Discrimination, Harassment and Retaliation Prevention Policy. Additional training topics include verbal defense/de-escalation tactics, human trafficking, social distancing, and ADA protocols.

Santa Cruz METRO provides health insurance coverage through CalPERS, which is 95 percent paid. METRO pay 100 percent of ParaCruz employee premiums under that MOU. There are five HMO, and three PPO plans offered. There are PPO dental and vision plans that are 100 percent paid by Santa Cruz METRO. The defined benefit retirement plan is offered through CalPERS. Santa Cruz METRO utilizes Workday for payroll and benefit processing.

Community Bridges

Based on the organizational chart of the CTSA, Lift Line employed 20 personnel, which includes the division director, three management and supervisory staff, four dispatchers/schedulers, one office assistant, one operations assistant, one mechanic and 19 drivers (15 full and two part-time drivers, and two on-call drivers). Lift Line updated its employee policies and procedures manual to reflect new dispatching system protocols.

Community Bridges utilizes several methods of recruiting new drivers and personnel. The CTSA has used Indeed, the Employment Development Department, Craigslist, local classified advertising, flyers, social media posts over Facebook/X (formerly Twitter), and the Community Bridges website. New full-time drivers have Class B licenses and go through the requisite orientation and training, including drive-alongs, safety training, and general proficiency with the routes. On-call drivers do not need to have a Class B license upon joining but must work toward getting the license. The vehicle fleet includes minivans, which require a Class C license and can be driven for service during the time the driver is training for the Class B license. Lift Line management indicated challenges in recruiting drivers and retaining personnel due to similar reasons affecting the transit industry, such as other job opportunities.

The agency offered a \$2,500 hiring bonus for candidates hired into commercial driver positions (holding commercial license) at 30 hours per week or more, an additional \$2,500 retention bonus paid after one year of continuous employment, and a \$5,000 retention bonus paid after two years of continuous employment. The bonuses are paid on a pro-rated basis for positions less than 30 hours per week. Community Bridges implemented 3.5 percent step increases, wage equity increases, and reclassification increases.

The hiring of a driver trainer has improved the in-house training program, although DMV certifications are conducted remotely and take long to schedule testing with more strict rules for certification. Training takes place over a four-week period encompassing the features of the Ecolane dispatching software program, wheelchair securement, customer service skills, and harassment awareness. Driver meetings are held once a month to review safety and operational procedures and include the use of a driver simulator supplied by the insurance carrier. The customer service-oriented training places an emphasis on palliative care and conflict resolution skills with individuals who have complex medical issues.

Route assignments are rotated monthly whereas weekend routes are bidded out based on seniority. Each dispatcher is assigned four drivers. All Lift Line personnel, including administration, operations management, maintenance, and drivers, are in Watsonville, a significant and positive change during the audit period. The operations and maintenance staff are housed in a permanent facility using Measure D funds and are located near the Community Bridges administrative building. Quarterly meetings are held for different purposes, including one for all staff, another for safety training, and another for drivers to discuss other issues.

Volunteer Center

The onset of the COVID-19 pandemic impacted the pool of volunteer drivers. Many volunteers were aged 65 and older, thus falling into the high-risk category for contracting the virus. Therefore, the Volunteer Center had to recruit new volunteer drivers under the age of 65. The program experienced a decline in volunteer participation during 2022–2023 due to the COVID-19 pandemic but has since onboarded 12 new volunteers towards the end of FY 2024. The average age of volunteer drivers is 65 years of age.

The number of volunteer drivers fluctuates among each of the three service areas of Santa Cruz, San Lorenzo Valley, and Watsonville. Santa Cruz typically has the most drivers, followed by San Lorenzo Valley and Watsonville; more available drivers mean more rides provided in each of the service areas. Volunteer Center staff expend resources conducting screens of volunteer drivers, including criminal background checks and their ability to provide frequent service over at least a 6-month commitment.

During the audit period, the program dispatcher completed a volunteer driver safety course. The two-hour online course was conducted by the National Volunteer Transportation Center and the Community Transportation Association of America. Course certification is valid for three years.

Mileage reimbursement rates have been increased to support volunteer drivers. In-kind contributions are accepted in lieu of reimbursements. Drivers log mileage manually or via Google Hub, which performs an estimate of hours. Google Maps is also used for mileage tracking. No major accidents or incidents have occurred in the past five years. Additional safety protocols have been adopted for volunteer drivers, contributing to a strong safety record.

Drivers are required to complete a volunteer registration form, vehicle insurance form, and an authorization for Volunteer Center to do a background check. Volunteer Center staff also conduct screenings and interviews. Driver background checks are conducted through Sterling background screening services and incur a nominal cost to the agency. Volunteer Center provides excess general liability and medical insurance above the driver's own insurance coverage. During the pandemic, a vaccine attestation was required for drivers.

Maintenance

Santa Cruz METRO's maintenance facility was completed in 2009 and features 11 bays, five in-ground lifts, eight portable lifts, and one set of six posts for the newer articulated buses. The facility is open daily with the following hours: Monday through Friday, 24 hours, and Saturday and Sunday from 6:30 a.m. to 2:30 p.m. The facility opens at 10:45 p.m. on Sunday to begin the week. The facility is equipped with energy-efficient LED lighting.

The fleet maintenance staff had 62 authorized FTEs as of FY 2024 with 38 FTEs funded. Overseeing fleet maintenance is the deputy director of maintenance and the maintenance manager. Other personnel include the maintenance trainer, fleet maintenance supervisors, lead mechanics, mechanics (Levels I, II & III), senior accounting technician, lead vehicle service workers, vehicle service workers (Levels I & II), and an electronic technician. There were some promotions and turnover in the fleet maintenance department. New mechanics undergo a three-month training process and training is tracked for each mechanic. Training is conducted through the manufacturer or coordinated with other transit agencies such as SamTrans and the Southern California Regional Transit Training Consortium. METRO has budgeted additional resources for maintenance training as the agency prepares for the introduction of electric buses to the fleet. Mechanics obtain Automotive Service Excellence (ASE) certification for specific technical tasks. Safety concerns are discussed during "toolbox" meetings.

The Maintenance department utilizes MaintStar asset management software to track repairs and parts inventory. The department is interested in integrating mobile tablets and modules with the MaintStar program. Repairs are coded and categorized. Labor time and vehicle mileage are also tracked. The lead mechanic reviews repairs, which are followed up by the supervisor who approves the work order. Defect cards are obtained from operations for review by the lead mechanic before being assigned and tracked in MaintStar.

Most vehicle maintenance for both fixed-route and ParaCruz services is conducted in-house as a cost-saving measure. METRO will outsource maintenance on ParaCruz vehicles depending on the workload. Major engine repairs are also outsourced as well as body work. Preventative Maintenance Inspections (PMIs) are performed per the original equipment manufacturers (OEM) requirements, including in 6,000-mile increments and within a 10 percent mileage window. Santa Cruz METRO performs a safety inspection midway through the 6,000-mile PMI cycle for all fixed-route and commuter-revenue vehicles, not to exceed 3,500 miles. ParaCruz vehicles require PMIs to be performed in 5,000-mile increments within a 10 percent mileage window. Extended warranties are leveraged.

Pre- and post-vehicle inspection reports include placing a sticker on the bus wheel indicating maintenance attention. Quality control/quality assurance requirements are documented in the work plan, as are 10 key performance indicators to measure maintenance quality and compliance. These indicators are included in the monthly fleet service summary worksheet.

METRO maintains \$1.2 million in parts inventory for its diverse fleet of diesel-hybrid, compressed natural gas (CNG) and electric vehicles. Cycle counts are conducted annually. The agency owns its own tires due to the potential supply chain issues that leasing tires would present. Part requisitions must be approved prior to use. Parts are barcoded but not used in the module. Safety issues and operations were addressed involving engine in frames, staffing levels, and vehicle spare ratio levels. Warranties on new vehicle procurements have been negotiated, which resulted in a five-year warranty on engines and a two-year warranty on transmissions. Body and paint work are outsourced. Santa Cruz METRO can receive parts the next day. Every part issued is entered into a work order for both fleet and facility maintenance. Santa Cruz METRO keeps brake kits in stock to allow mechanics to perform a full brake job. The implementation of the Workday ERP system will help with tracking the parts inventory.

Road calls refer to instances when a transit vehicle experiences a breakdown or other issue while in service and require assistance or repair on the road. These calls are typically made by the vehicle operator to METRO's maintenance department, who then dispatches a technician or a tow truck to address the problem and get the vehicle back in service as quickly as possible. Road calls are tracked and summarized in the following table for the audit period:

Table V-2
Santa Cruz METRO Road Calls

	FY 2022	FY 2023	FY 2024
Santa Cruz METRO Bus	170	166	229
ParaCruz Paratransit	19	16	7
Total Road Calls	189	182	236

Source: National Transit Database - Form R-20 Revenue Vehicle Mechanical System Failures

Road calls remained stable during the first two years of the audit period. This metric declined from 189 in FY 2022 to 182 in FY 2023. The initial trend in road calls was attributed to the implementation of newer vehicles and the reduction in vehicle service hours and miles. However, there was a 30 percent increase in road calls in FY 2024, which is attributed to the batteries in the hybrid diesel vehicles. Approximately 13 to 14 buses have been out of service due to lack of parts. Annual CHP terminal inspections conducted during the period have been satisfactory.

METRO has been laying the groundwork for zero-emission vehicle infrastructure and enhanced training. The agency has been in the process of procuring and implementing 22 next-generation hydrogen fuel cell powered 40-foot buses. Additionally, to support the statewide transition to zero-emission vehicles through the construction of a hydrogen fueling station at METRO’s JKS Operations Facility that will include bus fueling with the possibility of adding over-the-fence retail fueling accessible to the public in the future.

Community Bridges

The permanent operations and maintenance facility funded by Measure D is on two acres of land located at 545 Ohlone Parkway in Watsonville. The facility features two bays and two lifts, and a 3,000-square-foot maintenance shop. Maintenance is overseen by one fleet manager and one mechanic. The fleet manager serves in the capacity of lead mechanic and possesses Automotive Service Excellence (ASE) certification. Preventive maintenance inspections (PMIs) are scheduled every 10,000 miles while full vehicle inspections are scheduled every three months. Drivers are tasked with wiping down and disinfecting the vehicles. While most maintenance functions are conducted in-house, Community Bridges outsources body work, paint, and major engine work to local vendors.

Community Bridges’ Lift Line implemented Fleetio, a new fleet management software program in 2023, to enhance the efficiency, accountability, and sustainability of its vehicle operations. Fleetio was adopted to digitize maintenance workflows, track vehicle health and service history, monitor fuel usage and expenses, and improve scheduling and dispatch coordination. In addition, the software has helped track electric vehicle metrics, including charging schedules and energy consumption, aligning with Lift Line’s sustainability goals. Fleetio is also utilized by the drivers conducting pre-trip inspections. The data are fed to the mechanic and fleet manager.

Roadcalls or in-service mechanical failures reported by Community Bridges in the TDA-STA quarterly report covering the audit period were 10 in FY 2022; 19 in FY 2023; and 30 in FY 2024

with the higher number of failures occurring at the end of the period. The data also includes wheelchair lift malfunctions.

Lift Line replaced two gas-powered shuttles with three electric vehicles (EV) equipped with wheelchair lifts, the first of their kind in Santa Cruz County. To support the procurement of zero-emission vehicles, two Level II EV charging stations were installed at the Watsonville facility, supporting both operational needs and public access. The EV transition resulted in measurable reductions in greenhouse gas emissions (73 MTCO₂e), nitrogen oxides (76 lbs), particulate matter (21 lbs.), and fossil fuel consumption (2,586 gallons). Community Bridges reported issues with the range of its electric vehicles as well as with the charging infrastructure.

Planning

The most prominent planning initiative implemented by METRO was the Reimagine METRO system redesign. Under the direction of the prior Chief Executive Officer (CEO)/general manager in 2022, the METRO Board set three goals:

- Double ridership within three years,
- Develop affordable housing at the transit centers, and
- Transition to a zero-emission fleet.

Over the initial period, general public phone surveys were conducted, which found that 70 percent of riders and 50 percent of non-riders preferred frequency over coverage. The system redesign kicked off in December 2022 and began with a 15-month planning period. In September 2023, the first phase of implementation approved with service commencing in December of 2023. The first phase was cost neutral, where they streamlined some of their routes and consolidated others. After implementation, there was a big jump in productivity, especially on routes that had previously had one-hour headways. The second phase commenced when METRO received state funding for operating costs and two one-time funding grants for the capital costs of a zero-emission fleet. Phase 2 implementation commenced in March 2024 and there have been continuing increases over the first three quarters. Ridership increased 26 percent from the four quarters of the Phase 2 implementation.

Reimagine METRO was a part of their Comprehensive Operational Analysis in lieu of a Short-Range Transportation Plan. The Rapid Corridors Plan was completed at the end of 2023 and highlighted some capital improvements. METRO decided to combine Reimagine METRO and the improvements cited in the Rapid Corridors Plan. This was to capitalize on increasing route efficiency. The redesign did not include any specific branding outside of special bus wraps for their rapid corridors to signify that it is a special service. All the signage and maps have been updated, they utilize a tiered service visual where red lines signify 15-minute service, blue lines are for 30-minute service, light blue for 60-minute service, and yellow for service that runs more than 60 minutes. METRO is looking to go for a local sales tax measure to help with their operating funds, but before they did that, they wanted to show the public how well they can run a service through their Reimagine METRO

At Watsonville Transit Center, METRO offers free transfers to Monterey-Salinas Transit (MST). In addition, they have been starting the process of rolling out contactless payments. These contactless payment methods would match MST’s contactless payment methods through Caltrans’ California Integrated Travel Project (Cal-ITP). Cal-ITP is supported by the California State Transportation Agency (CalSTA) and Caltrans, with funding from the Transit and Intercity Rail Capital Program (TIRCP). While MST has been in the forefront of implementing cashless payment, METRO is still weighing their options of going cashless.

METRO has been involved in redeveloping the Watsonville Transit Center into a four-story, 60-plus unit, net-zero affordable housing development, serving historically disadvantaged communities with increased access to affordable housing and supporting mode shift from single occupancy vehicles use to transit.

METRO has an agreement with Flixbus to manage the ticket sales for the Highway 17 bus. Flixbus is no longer a transit service, METRO is the only provider of this service. Every month, METRO meets with the Regional Transportation Commission so they can continue to get METRO’s projects on their plans. METRO attends meetings on the elderly and disabled where they can help guide the conversation toward implementable and realistic outcomes that those groups of people may want out of transit service. SCCRTC is completing segments of the Bus-On-Shoulders Project on SR-1 in 2026 and is securing funding for the third segment.

Each transit system provides performance measures to SCCRTC on a quarterly and annual basis. The list of performance metrics differs slightly between the transit systems to reflect their system size and service modes. As several commissioners also serve on Santa Cruz METRO’s board, the performance of Santa Cruz METRO is shared as needed with the SCCRTC. Documentation supplied by the transit systems shows their commitment to providing the information to the SCCRTC as a condition of their receipt of TDA funds. The performance metrics for Santa Cruz METRO are listed in the TDA claims form and include those listed in Table V-3.

Table V-3
Santa Cruz METRO Performance Measures

1.	Annual passengers	15.	Number of FTE employees (all employees, not just drivers)
2.	Rides/passenger trips provided by type (student, senior, adult, pass holders, etc., or however stats are kept) and amount of TDA funds used for each type of ride	16.	Vehicle service hours/employee*
3.	Annual service hours	17.	Number of routes
4.	Passengers per vehicle service hour*	18.	Average route length
5.	Annual service miles	19.	Average travel times/rider
6.	Number of fixed-route miles	20.	Number of bus stops
7.	Service area – square miles	21.	Number of vehicles in operation

8.	Service area population	22.	Number of monthly bus passes in circulation
9.	Passengers per vehicle service mile*	23.	Maximum vehicles in service at any time
10.	Average passengers per weekday	24.	Hours of service
11.	Total operating costs in budget	25.	Approximate number of unduplicated passengers
12.	Operating cost per vehicle service hour*	26.	Cost per unit of service plus text about long range plans to make/keep this low
13.	Total operating cost per passenger*	27.	Funds and percentage spent on administration/overhead/grantee allocation/etc.
14.	Average farebox revenue per passenger (describe what is included)	28.	Actual financials compared with budget
29.	Actual number of rides provided compared with goal and text about whether the goal was met and why/why not		

* Denotes TDA indicator

The performance indicators submitted by Community Bridges are shown in Table V-4.

Table V-4
Community Bridges Performance Measures

1.	Unduplicated passengers per month	8.	Cancellations per month
2.	Total passenger trips (units of service) per month	9.	Donations per month
3.	Incidents per month	10.	Total operating cost per passenger*
4.	Accidents per month	11.	Total operating cost per vehicle service hour*
5.	Mechanical failures (including lift failure) per month	12.	Total passengers per vehicle service hour*
6.	No-shows per month	13.	Total passengers per vehicle service mile*
7.	Turndowns or referrals per month	14.	Van mileage per program

* Denotes TDA indicator

The performance indicators submitted by the Volunteer Center are shown in Table V-5.

Table V-5
Volunteer Center Performance Measures

1.	Number of rides/deliveries provided	6.	Number of unduplicated passengers
2.	Trip destinations	7.	Number of requests for service
3.	Mileage claimed	8.	Number of turndowns

4.	Estimated total mileage	9.	Reason for turndowns
5.	Average length of trip	10.	Number of active volunteers
11.	Geographic distribution of clients		

Community Bridges and METRO have invested in AVL technology that enables more automation in the tracking of vehicle movements. Technology serves multiple benefits including safety and operational efficiencies. The AVL feature, when combined with dispatch/scheduling and other communications technology, can provide accurate performance measures such as on-time performance for the different vehicle modes as the technology becomes more available on the vehicle fleet. Given this technological integration of the transit systems, reporting on-time performance in the quarterly reports should be added as another key indicator of operational effectiveness and customer service.

Marketing

Marketing and communications are conducted by customer service staff in the operations division. METRO resumed public outreach events as the COVID-19 pandemic abated. METRO undertook a series of impactful marketing and outreach initiatives aimed at increasing ridership, improving accessibility, and promoting environmental awareness.

As part of the Reimagine METRO service transformation launched in December 2023, METRO offered two weeks of free fares from December 21, 2023, to January 4, 2024, across all services, including fixed-route, Highway 17, and ParaCruz. The agency offered free transfers for two hours on all routes to ease the transition to the new network. Fare promotions also included the Youth Cruz Free program launched in March 2023. This new expansion allows all youth up to the 12th Grade to ride for free. METRO worked with local school districts to promote the Youth Cruz initiative and saw a 400 to 500 percent increase in ridership.

With the redevelopment of the Pacific Station in downtown Santa Cruz, METRO leased temporary space nearby for its customer service. The Riverfront Transit Center in downtown Santa Cruz is the temporary central hub for Santa Cruz METRO operations, established in February 2024 following the demolition of the former Pacific Station. This interim facility will serve riders until the new permanent transit center is completed, which is expected by 2026. During initial opening of the Riverfront Transit Center, operators assisted customer service staff with inquiries and directing riders to their bus connections.

The Santa Cruz METRO website (<https://scmtd.com/en/>) is the agency’s principal digital marketing platform. The website offers a wide range of features designed to support riders with trip planning, real-time updates, fare payment, and accessibility. METRO also offers a Spanish version (<https://scmtd.com/es/>). Accessibility tools support riders with disabilities, including ParaCruz services and online account management. The website displays live bus locations, predicted arrival times, and route maps without needing to download an app. GTFS-RT Integration supports real-time data in popular apps like Transit App, Google Maps, and Apple Maps, allowing riders to track

buses and plan trips seamlessly. The planned website redesign will feature mobile compatibility and accessibility.

The METRO Splash Pass App enables contactless fare payment via smartphones. Riders can purchase and activate tickets for local routes and the Highway 17 Express. The Ecolane Mobility App allows ParaCruz riders to book and cancel trips directly from their smartphones.

METRO's Headways is a quarterly rider's guide that serves as a comprehensive resource for transit users across the service area. Approximately 10,000 copies of the rider's guide are published. It is available in print at METRO buses, transit centers, and pass vendor locations. A PDF version is also accessible online via METRO's website for rider convenience. Usage of the Headways guide has been dropping due to the growing use of electronic and mobile sources of transit information.

One of the most innovative initiatives undertaken by METRO has been the One Ride at a Time campaign. This innovative campaign combines environmental advocacy with public transit promotion. METRO partnered with Frans Lanting, a renowned wildlife photographer, and local organizations to wrap buses in stunning images of local wildlife and ecosystems. Each bus featured a unique theme—whales, redwoods, mountain lions, monarchs—highlighting the biodiversity of the Monterey Bay region. The campaign's tagline, "Protecting One Ride at a Time," emphasized the environmental benefits of choosing transit over driving. The initiative aimed to connect riders emotionally to the region's natural beauty and inspire conservation through everyday transit use.

METRO has developed a robust and award-winning social media and outreach strategy. METRO actively uses platforms like Facebook, Instagram, and Twitter/X to share real-time service updates and alerts; promote free fare events (e.g., Earth Day, Clean Air Day, Strawberry Festival); highlight community campaigns like "Stuff the Bus" and "Youth Cruz Free."; as well as showcase environmental and conservation efforts through the "One Ride at a Time" campaign. Social media content also includes video ads and photo campaigns featuring wildlife and local landmarks. METRO has even collaborated with organizations like the Monterey Bay Aquarium Research Institute (MBARI) and local artists to create visually compelling posts.

Customer service is the front line for handling complaints and following the procedures described on the Santa Cruz METRO website. Customer complaints, compliments, inquiries, and suggestions are managed by Santa Cruz METRO through osTicket by Enhancesoft. METRO uses osTicket to manage its customer service inquiries through a dedicated support portal called METRO Customer Service. This setup allows the agency to efficiently handle rider feedback, service issues, and community engagement, all while keeping communication organized and accessible. Complaints have varied and relate to operations such as wireless Internet issues, driver rudeness, and unsafe driving. The customer service supervisor manages most entries and receives support from other staff if the issue cannot be readily addressed.

Pursuant to the federal Civil Rights Act of 1964, a Title VI Program has been developed and adopted by the agency. Title VI of the Civil Rights Act of 1964 requires that no person in the United States, on the grounds of race, color, or national origin, be excluded from, be denied the benefits of, or

be subjected to discrimination under any program or activity receiving federal financial assistance. The Title VI Program was updated and submitted to the FTA on November 29, 2022, and was effective from June 1, 2022, through May 31, 2025. Program compliance includes Title VI notices and complaint forms published in English and Spanish that are posted on the transit website and vehicles. METRO's Title VI Policy document is posted on the website (http://www.scmtd.com/images/departments/legal/policies/title_vi_policy_2019).

Community Bridges

Community Bridges updated its marketing and outreach strategies to better connect with eligible riders and promote its expanding transportation services across the service area. Lift Line invested in new promotional materials and videos to raise awareness of its paratransit services, which encompassed radio advertisements, brochures, newsletters, and outreach at community events. The agency conducted incentivized surveys and raffles to gather rider input and improve service delivery. Marketing and outreach activities were supported by Measure D allocations, with over \$250,000 programmed for publicity materials and outreach efforts during the audit period.

The expanded outreach aligns with County policy to address senior living and reduce loneliness and isolation. Community Bridges developed a brochure for its services and tailored flyers for specific services and zip codes. The brochure is provided in both English and Spanish and contains detailed information about Lift Line services and eligibility. Community Bridges made notable updates to its website (<https://communitybridges.org/liftline/>) and social media presence to enhance public engagement and improve access to information about its transportation services. The Lift Line page of the Community Bridges website was updated to clearly outline available services, including medical transportation, Meals on Wheels, Elderday, Access for All, and taxi scrip programs.

Social media engagement involves a presence on Facebook, Instagram, and X (formerly Twitter). Community Bridges expanded its use of eNewsletters to keep stakeholders informed about Lift Line and other programs. These newsletters included updates on services, upcoming events, volunteer opportunities, and advocacy efforts. Archived newsletters from 2022 through 2025 were made available online, providing transparency and continuity in communications.

Lift Line offered advertising opportunities to local businesses, generating revenue while increasing visibility for both the agency and its partners. Businesses could advertise on the back of Lift Line vehicles, which travel extensively throughout the county. Pursuant to the federal Civil Rights Act of 1964, a Title VI Program has been developed and adopted by the agency. Lift Line provides a Title VI complaint form and instructions for individuals who believe they have been discriminated against. Complaints must be filed within 180 days of the alleged incident and can be submitted to their dispatch office in Watsonville.

Volunteer Center

Volunteer Center also produces a community brochure for distribution and markets an ongoing need for volunteer drivers to maintain a qualified pool. By filling a transportation need that other transit modes cannot efficiently provide, Volunteer Center is serving a different rider market and is developing a means to share its clients' stories. For growth in the program and recruitment of both drivers and passengers, the Volunteer Center has taken steps to better highlight how its programs benefit various individuals in the community.

The recent website upgrade now allows for referral intake and features surveys and audio testimonials to showcase impact. A legacy giving program is under consideration, with Planned Giving cited on the website, though community engagement is still in preliminary stages. Marketing efforts are mindful of the generation gap, balancing technological tools with accessibility for older adults. On the Volunteer Center website, the "Our Stories" drop-down box contains links to volunteer stories, videos, and blog posts. Another example of how Volunteer Center has been promoting its activities involves recorded audio testimonials of seniors who use the program to access medical appointments and shopping. Volunteer Center has also been featured in the "Young at Heart" section of the *Santa Cruz Sentinel* newspaper.

General Administration and Management

Santa Cruz METRO's general administration and management is structured to ensure effective oversight, strategic planning, and operational efficiency across its transit services. METRO is governed by an 11-member Board of Directors composed of the five members of the Santa Cruz County Board of Supervisors and six city council members or their appointees: one each from Capitola and Scotts Valley, two from Santa Cruz, and two from Watsonville. In addition to the 11 members, there are two ex-officio members representing UCSC and Cabrillo College. A number of members on the board serve as commissioners on the SCCRTC. A few board members also serve on the Association of Monterey Bay Area Governments (AMBAG) board.

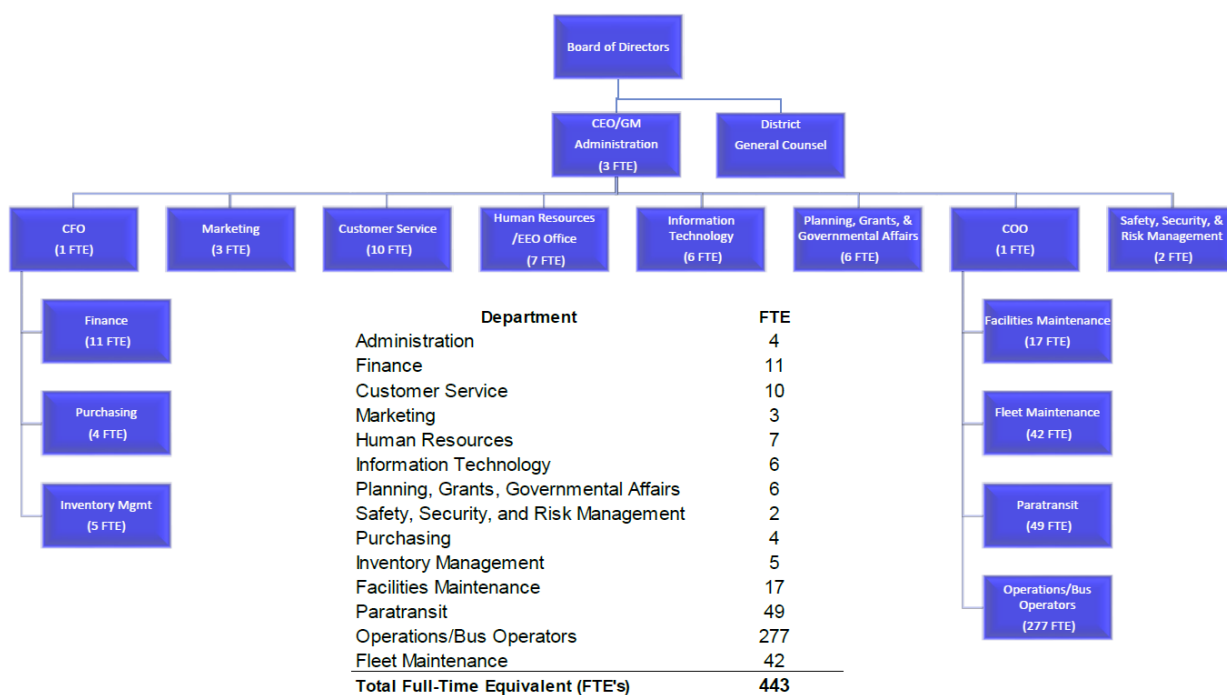
The METRO Advisory Committee advises Santa Cruz METRO's Board of Directors on matters of policy and operations referred to by the board or the CEO/general manager. The Advisory Committee may also address issues regarding the quality and quantity of transportation services provided by Santa Cruz METRO. Membership comprises anyone from Santa Cruz County who applies and is appointed by a Santa Cruz METRO board member.

Administrative departments are located at the Administration Facility at 110 Vernon Street in Santa Cruz. The CEO/General Manager leads the agency and reports directly to the Board. The CEO is supported by a District Counsel who provides legal guidance. METRO experienced a leadership transition in early 2024 when the CEO/General Manager announced his retirement effective February 16, 2024. During his nearly two-year tenure, the CEO/General Manager led several transformative initiatives including Reimagine METRO, Youth Cruz Free, Zero-Emission Fleet Expansion, the One Ride at a Time Campaign, and initiated Transit-Oriented Development of the Pacific Station and the Watsonville Transit Center.

Following the departure of the former CEO/General Manager, a special Board of Directors meeting was convened in March 2024 that launched a nationwide search for his replacement. After vetting dozens of applicants, METRO appointed a new CEO/General Manager in April 2024. The METRO Board collaborated with stakeholders, union leaders, and an advisory committee during the hiring process. The new CEO brings over a decade of experience as a general manager in public transit. Prior to joining METRO, he served as CEO of Mountain Line Transit in Missoula, Montana since 2015. His background includes leadership in ballot initiatives, green transit projects, and ridership growth strategies.

The organization chart of the agency is shown below.

Figure V-1
Santa Cruz METRO Organization Chart



Source: Santa Cruz METRO, FY 2025-2026 Budget

With emphasis on open communication, departments participate in board meetings and present their own topics and reports to build rapport with board members and each other. A leadership meeting occurs weekly and empowers staff to participate in decision-making for the agency.

The transition from the prior CEO to the new CEO has gone well for METRO. The new CEO has stated that the agency is headed in an overall good direction. The goal envisioned is to create a system that is dependable and easier for people to use. The CEO has been focused on updating policies and developing Standard Operating Procedures (SOPs) across departments.

Part of that strategy is through the development of key performance indicators or KPIs. One of the roles of the CEO is to keep the Board apprised of METRO's operational performance across departments and service modes. Therefore, the new CEO has been looking at implementing dashboard metrics where data are easily accessible. A prior CEO/general manager engaged in a management style centered on data analysis and development of KPIs for every department. The value of KPIs relies on collection and analysis of multitude of data, but there has been a lack of staff analysts and data warehousing space at Santa Cruz METRO.

However, some departments have developed and reported some KPI figures in monthly reports, such as the maintenance department through its Fleet Maintenance Resource Work Plan. Formalizing a KPI program based on benchmarks gathered from peer agencies and having the resources and infrastructure in place to support this have continued. METRO should continue with training staff on data analysis and using the amount of information generated from new technology programs for decision making. This would include participation of the IT department, which houses the data systems and networks.

Technology improvements at METRO have been ongoing. The agency has undertaken a significant modernization effort by implementing a new enterprise resource planning (ERP) system using Workday. This transformation was aimed at replacing outdated legacy systems and streamlining operations across finance, human resources, payroll, and procurement. The finance system dated back to the 1990s and lacked support for modern functions like electronic funds transfers or direct deposits. Tasks such as printing and mailing over 400 checks weekly were labor-intensive and error prone. Legacy systems were hosted on in-house servers, which were vulnerable to outages and power surges. METRO selected Workday for several strategic reasons:

- **Cloud-Based Infrastructure:** Eliminates reliance on physical servers and improves system reliability.
- **Integrated Applications:** Workday offers a unified environment where HR, payroll, and finance modules communicate seamlessly.
- **Automation Capabilities:** Reduces manual data entry and enables features like electronic reimbursements and real-time reporting.
- **Vendor Support and Longevity:** Workday's reputation and partnership with Avaap for implementation provided confidence in long-term support.

All the workstations have been updated with Microsoft 365. At the end of the last audit period to the beginning of this audit period, METRO upgraded their servers and migrated them to offsite locations. Their VPN infrastructure was bolstered to aid in a hybrid workplace policy.

The agency's most recent FTA triennial review was conducted on March 1, 2023 (scoping meeting) with virtual site visits conducted on August 14-16, 2023. A draft report was completed September 15, 2023, with the final report released on October 10, 2023. The triennial review focused on compliance in 23 areas; three of which were not applicable to METRO. No deficiencies were found in 18 of the 20 areas of FTA requirements reviewed. Two deficiencies found in two review areas: Satisfactory Continuing Control and Section 5307 Program Requirements. The Satisfactory

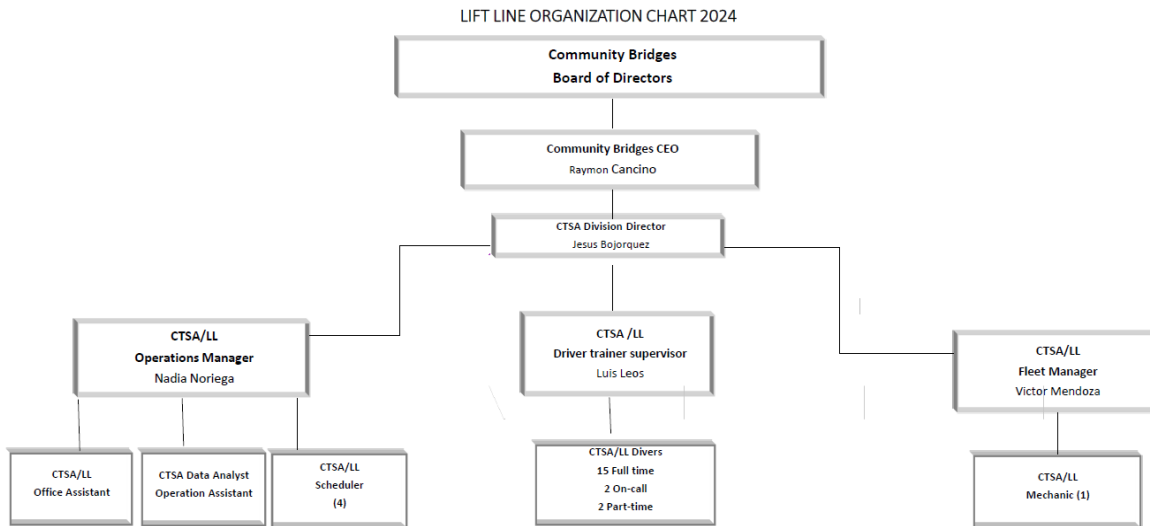
Continuing Control finding pertained to non-permitted use of insurance proceeds. The Section 5307 Program Requirements finding pertained to all parties not being signatory the metropolitan transportation planning agreement. Santa Cruz METRO responded to these deficiencies, which were closed out. The agency received its triennial review closeout letter in response to the Summary of Findings and Corrective Actions on February 7, 2024.

Community Bridges

General management of Lift Line was unchanged during the audit period following changes to the organization in the prior period. The management layer supports the director, including an operations manager who oversees daily operations and management of drivers. With both administration and operations located in Watsonville, communications and interaction occurs more frequently among management and drivers. Operations and maintenance were separated to allow each manager to focus on their primary duties.

The organization chart of Lift Line is shown below.

Figure V-2
Community Bridges Lift Line Organization Chart



Source: Community Bridges

Because Lift Line is one program within Community Bridges, the transportation program is allocated joint administrative costs, including administrative and fiscal personnel and other agency-wide operating expenses. A documented cost allocation policy is regularly updated and

specifies the method used for allocation of indirect costs, which is required for grant funding. Community Bridges uses a fixed percentage indirect cost rate that is universally applied to all its programs. The joint cost rate is determined by taking the pooled joint administrative costs as a percentage of total program direct operating costs. Direct operating costs are total program costs, less capital expenditures for major equipment, leasehold improvements, in-kind expenses, and amounts passed through to other agencies. Documentation provided by Community Bridges shows an indirect cost rate of 17.1 percent applied to direct program costs, such as Lift Line expenditures. Since the joint cost rate is based on expenses incurred, each Lift Line transportation program is assessed proportional to the expenses incurred for that particular program.

Volunteer Center

The Volunteer Center operates under a centralized administration and support structure, ensuring consistency across programs. The Volunteer Center employs 60 staff, with four dedicated to the Empowered Aging Division. The program was rebranded from Senior Services to Empowered Aging, emphasizing independence, health, and integrated lifestyle support. Goals for the program are reviewed each year and compared to actual data in the reports submitted to the City of Santa Cruz and the SCCRTC as conditions of receiving TDA funds. The number of senior clients served measures performance. Clients register with the program and individual records are kept on each client with their personal information, emergency contacts and rides and deliveries received. The number of groceries delivered is evaluated through reports compiled on each service provided that details client, date, and time of ride and/or groceries delivered, destination and volunteer providing the ride or delivery. Another metric involves the number of people to be served or the anticipated number of users of the program. Quarterly performance data are reported to SCCRTC and the City of Santa Cruz.

The Volunteer Center has been conducting a Strategic Plan. Data points are driving the approach to developing the plan. Surveyed 5,000 people in the community. The Volunteer Center received 4.4 to 4.6 out of 5.0 stars. The survey included demographic questions on age-range and generational categories.

Grants Management

Santa Cruz METRO historically relies on a variety of grants and other funding mechanisms, including local sales tax revenues, to support its transit system. The grants/legislative analyst evaluates the feasibility of obtaining funding for proposed projects, writes grant applications, and ensures agency compliance with federal, state, and local regulations and funding source requirements. The analyst also monitors and analyzes the impact of legislative and regulatory issues and develops a coordinated strategy for responding to these issues as they impact METRO's transportation services.

The analyst monitors and reports on grant activity as well as prepares and presents a quarterly status report on grant applications and active grants to the METRO Board. On a monthly basis, the analyst meets with the executive and management team to review pending grant awards,

upcoming and current grant solicitations, active grants, and a review of capital needs. METRO's annual financial audits include a Schedule of Expenditures of Federal Awards, which details how federal funds were used. The audit confirms that METRO complied with federal requirements and internal controls related to grant management.

METRO has demonstrated exemplary fiscal management and strategic planning in administering over \$150 million in federal, state, and local funding. This report outlines the agency's use of federal stimulus programs, capital investments, regional collaborations, and future initiatives aimed at enhancing public transit services and infrastructure across Santa Cruz County.

During the COVID-19 pandemic, Santa Cruz METRO received and fully expended federal stimulus funding through the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSSA), and American Rescue Plan Act of 2021 (ARPA). These funds were administered via the Federal Transit Administration (FTA) under Sections 5307 and 5311. Notably, the CARES Act funding required no local match, to transfer a portion of its operating carryover, comprised of fungible revenues, into its COVID recovery reserve account and commit approximately \$4 million annually to capital improvements.

Under CRRSSA, METRO applied FTA Section 5307 and 5311 funds to cover operational expenses and personnel costs, ensuring service continuity during a period of economic uncertainty. Additional funding under ARPA further supported METRO's operational resilience and long-term planning.

In 2023, METRO underwent a supplemental audit as part of the FTA Triennial Review, specifically focused on the administration of COVID-related funding. This audit reinforced METRO's commitment to transparency and compliance with federal regulations. To strengthen its internal capacity, METRO plans to hire a dedicated grants analyst to support ongoing and future funding initiatives.

During the audit period, METRO transitioned to a new federal lobbyist, aligning its advocacy efforts with evolving legislative priorities. The newly appointed CEO/general manager has assumed responsibility for legislative affairs, enhancing the agency's engagement with federal and state policymakers. In addition, METRO maintains strong collaborative relationships with SCCRTC and the Association of Monterey Bay Area Governments (AMBAG). These partnerships ensure alignment with regional transportation goals and compliance with federal funding requirements.

METRO utilizes Senate Bill 1/State of Good Repair (SGR) funds to support capital projects. The largest portion of SGR funding is allocated to facilities and equipment rehabilitation, followed by vehicle replacement and rehabilitation, and the development of zero-emission infrastructure. In April 2023, METRO was awarded a \$38.6 million grant from the California State Transportation Agency's Transit and Intercity Rail Capital Program (TIRCP) Cycle 6 discretionary program. Combined with \$16.9 million in matching funds, this investment will:

- Modernize METRO’s intercity bus fleet with zero-emission bus (ZEB) technology and infrastructure.
- Expand transit service on primary intercity corridors.
- Improve rider experience through transit priority infrastructure and a contactless payment platform.
- Support transit-oriented development at METRO transit centers.
- Additionally, METRO received a separate TIRCP grant to fund upgrades to bus stops, enhancing accessibility and comfort for riders.

In November 2016, Santa Cruz County voters approved Local Measure D, a one-half-cent sales tax to be used for transportation-related expenditures within the county. Santa Cruz METRO receives a portion of these proceeds to support ParaCruz operations and transit capital needs. METRO receives Measure D revenue estimates from SCCRTC and submits a five-year plan outlining proposed projects to be funded under Measure D. This planning process ensures transparency and strategic alignment with community needs.

METRO has made significant strides in expanding and modernizing its transit services through the Reimagine METRO initiative. While recent state and federal grants have provided essential support, much of this funding is one-time and project-specific, creating uncertainty around long-term operational sustainability. To maintain newly expanded services and continue delivering on the goals of Reimagine METRO, a local sales tax measure may be warranted. However, this effort faces competition from other regional entities also seeking access to limited sales tax capacity.

Yet, without a dedicated and recurring revenue stream, METRO risks service reductions and delays in implementing key improvements. It is recommended that METRO consider placing a local transit sales tax measure on the ballot. A voter-approved funding mechanism would provide the financial certainty needed to sustain service enhancements, invest in zero-emission infrastructure, and meet the region’s evolving mobility needs. This measure would empower METRO to continue advancing equity, environmental stewardship, and economic vitality through reliable public transit.

Community Bridges receives FTA Section 5310 Elderly and Disabled Specialized Transit Program funds for vehicle and capital equipment purchases and submits its semi-annual reports to Caltrans certifying use and condition of the equipment. Community Bridges also receives grant funding from contracts with various government entities, including the Area Agency on Aging and each of the four cities and the County for services such as Meals on Wheels, as well as outside contracts for specific programs like the Elderday program.

In addition, Community Bridges has received grant funding from the Monterey Peninsula Foundation, which is listed among its \$50,000–\$100,000 grant sources for FY 2023-24. Grants from the Foundation range from \$1,000 to \$500,000, and they offer operating, program, and capital support depending on the nature of the request. Staff have expressed concerns over the challenges in securing grant funding due to legal and governmental red tape. Therefore, the organization has been unable to apply for grants directly. By contracting with a third-party grant

administrator and writer, Community Bridges could be better equipped to navigate the grants landscape and secure sufficient funding for its programs.

The Volunteer Center, in partnership with the City of Santa Cruz, has also participated in the FTA Section 5310 program. As a sub-recipient of an expansion grant through FTA Section 5310, the agency received funding focused on recruitment and expanding hours of operation from 10:00 a.m. – 2:00 p.m. to 9:00 a.m. – 5:00 p.m. as well as on Saturday.

Section VI

Findings

The following summarizes the findings obtained from this triennial audit covering fiscal years 2022 through 2024. A set of recommendations is then provided.

Triennial Audit Findings

1. The Santa Cruz County transit operators complied with each of the 11 compliance requirements. Community Bridges and Volunteer Center are subject to a 10 percent local match requirement established by the SCCRTC. The TDA claim forms attest to at least a 10 percent local match to TDA allocations. The 10 percent local match for LTF funding by Volunteer Center has historically been met through donations. In lieu of the 10 percent local match, Volunteer Center in concert with the SCCRTC, came up with a minimum number of riders of 1,000 per quarter metric.
2. According to the SCCRTC *Rules & Regulations* manual (revised November 2022), Santa Cruz METRO is subject to the 50 percent expenditure limitation under the TDA (PUC 99268.1) in lieu of meeting the farebox recovery requirement. The agency met the 50 percent expenditure limitation under the TDA in lieu of meeting the farebox recovery requirement.
3. The Santa Cruz County transit operators (Santa Cruz METRO and Community Bridges - Lift Line) participate in the CHP Transit Operator Compliance Program and received vehicle inspections within the 13 months prior to each TDA claim. Satisfactory ratings were made for all inspections conducted during the audit period for both agencies. In another development, due to the seating capacity being reduced on ParaCruz paratransit vehicles, CHP terminal inspections are no longer required. The last inspections pertaining to that service mode were conducted in FY 2022. No violations were noted for the Community Bridges' CHP inspections.
4. The operating budget for Santa Cruz METRO exhibited modest fluctuations during the audit period and did not exceed 15 percent. In contrast, the operating budgets for Community Bridges – Lift Line and the Volunteer Center did exhibit increases above 15 percent. The operating budget increases for Community Bridges are attributed to a 30 percent increase in insurance premiums, higher employee salaries, and benefits. The 22 percent increase in the FY 2023 operating budget for the Volunteer Center is attributed to increased insurance costs (for drivers), recruitment, marketing, and mileage reimbursement.
5. Of the prior five performance audit recommendations, the Santa Cruz County operators fully implemented three recommendations and partially implemented one. Santa Cruz METRO successfully clarified its eligibility criteria for TDA-LTF through an SCCRTC TDA manual update and modernized its website infrastructure under the Reimagine METRO initiative, enhancing user experience and access to transit information. It also made substantial progress with the

deployment of Workday ERP and automated passenger counters, though full implementation of KPI tracking tools remains pending. Community Bridges – Lift Line implemented a Mobility as a Service (MaaS) model via the Access for All program, offering accessible, app-based transportation for residents with disabilities. However, the City of Santa Cruz’s Volunteer Center has yet to integrate goals between its Transportation and Grocery Shopper Programs, with progress contingent on rebuilding its volunteer driver pool. This final recommendation is being carried forward for future implementation.

6. Santa Cruz METRO operating costs increased 13.0 percent system-wide over the period based on audited data from the FY 2021 base year through FY 2024. System-wide operating costs reflect all costs and exclude depreciation costs. Using unaudited modal operating cost data drawn from the NTD, operating costs increased by 27.8 percent for fixed-route and increased by 16.0 percent for ParaCruz.³ According to the annual financial audit, the trend in system-wide operating cost increases was due to increases in personnel expenses related to wage increases and contractual obligations pursuant to labor agreements negotiated during the audit period, as well as implementation costs for a new ERP business management system. Community Bridges’ Lift Line operating costs increased substantially by 70.7 percent due to a return to pre-pandemic service levels. Volunteer Center transportation costs increased by 12.4 percent for the audit period.
7. Ridership on Santa Cruz METRO increased by 313.5 percent system-wide during the audit period. Fixed-route ridership soared by 323.5 percent, rebounding from 907,000 to 3.8 million passengers between the FY 2021 base year and FY 2024. ParaCruz ridership increased by 80.5 percent, from 39,000 to 70,000 riders over the same period. Overall, these metrics mark a return of 76.1 percent of pre-pandemic (FY 2019) fixed-route ridership in FY 2019, and a return to 95.7 percent of pre-pandemic ParaCruz ridership. Lift Line ridership increased 156.2 percent during the audit period by more than 33,000 passengers. Volunteer Center transportation ridership decreased 25.3 percent for the period, from 3,900 to 2,900 passengers. For Santa Cruz METRO and Lift Line, the trend in this indicator reflects a significant return in passengers following the COVID-19 pandemic.
8. From a combination of performance data trends, TDA performance indicators for Santa Cruz operators demonstrated a strong recovery from the COVID-19 pandemic, with significant improvements across key TDA performance indicators. Operating costs rose moderately system-wide (13 percent) but more sharply for individual services like Lift Line (70.7 percent), primarily due to wage increases and system upgrades. Despite cost increases, cost effectiveness improved markedly, with operating cost per passenger dropping 72.7 percent system-wide.

³ The sum of operating expenses by mode reported in the NTD do not equal the audited total operating costs. The NTD operating costs by mode only reflect costs allocated by Santa Cruz METRO to that particular mode based on NTD guidelines, which excludes depreciation costs. Additional operating costs are classified as other reconciling items in the NTD and not separated by mode.

9. Santa Cruz METRO’s Reimagine METRO initiative, launched in FY 2024, marked a transformative system redesign focused on enhancing transit efficiency, accessibility, and equity. The initiative prioritizes frequent and reliable service in high-demand corridors. The first phase, implemented in December 2023, was cost-neutral and supported by a major workforce expansion, growing from 155 to 250 budgeted operator positions, along with new supervisors and maintenance staff.
10. The Pacific Station Transit Center in downtown Santa Cruz closed on February 8, 2024, to begin a two-year demolition and redevelopment project. Transit operations and customer service were relocated to the temporary River Front Transit Center on February 12, 2024. Once completed, the revitalized Pacific Station will become a transit-oriented mixed-use complex, featuring 126 units of affordable housing, retail and office spaces, and integrated onsite transit services
11. Santa Cruz METRO steadily upgraded its intelligent transportation system (ITS) infrastructure. These ITS enhancements have included the implementation of Cleaver Devices AVL and APCs on the METRO fleet in December 2022. METRO was under contract with Syncromatics during the years of 2018 through May 2022. The company was tasked with providing METRO with annual on time performance and other reporting data. The company proved to be unreliable, and the data was inconsistent related to on time performance, transmission of data to vehicles and a multitude of key performance indicators.
12. METRO utilizes two specialized dispatching systems to manage its transit operations: Hastus for fixed-route services and Ecolane for its ParaCruz paratransit program. Ecolane offers key features such as real-time mapping, automated ride batching, on-time performance tracking, and NTD reporting. ParaCruz reservations are entered directly into Ecolane, and paratransit vans are equipped with mobility safety devices to enhance comfort and safety for both passengers and drivers.
13. METRO’s marketing initiatives have focused on boosting ridership, enhancing accessibility, and promoting environmental awareness through strategic outreach and digital engagement. Led by customer service staff within the operations division, METRO resumed public events post-pandemic and launched impactful fare promotions, including two weeks of free rides during the Reimagine METRO rollout and the Youth Cruz Free program, which saw a 400–500 percent increase in youth ridership. METRO also supports contactless fare payment through the Splash Pass App and enables ParaCruz riders to manage trips via the Ecolane Mobility App, reinforcing its commitment to modern, rider-friendly service.
14. METRO’s One Ride at a Time campaign creatively blends environmental advocacy with public transit promotion by wrapping buses in striking wildlife imagery, themed around local ecosystems like whales, redwoods, and monarchs. The campaign encourages riders to see transit as a tool for conservation, under the tagline “Protecting One Ride at a Time.” Supported

by an award-winning social media strategy, METRO amplifies the campaign through engaging content, free fare events, and collaborations with groups like MBARI and local artists.

15. In early 2024, METRO underwent a leadership transition as its CEO/General Manager retired in February after nearly two years of transformative leadership, during which he spearheaded initiatives such as Reimagine METRO, Youth Cruz Free, and Zero-Emission Fleet Expansion. A nationwide search was launched in March, culminating in the appointment of a new CEO/General Manager in April 2024. The incoming CEO brings over a decade of public transit leadership experience, having served as CEO of Mountain Line Transit in Missoula, Montana since 2015, with a strong background in ballot initiatives, sustainable transit development, and ridership growth.
16. METRO undertook a major technology modernization by adopting the Workday ERP system to replace outdated legacy platforms dating back to the 1990s. This transition streamlined operations across finance, HR, payroll, and procurement, eliminating manual processes, and addressing vulnerabilities tied to in-house servers. Workday’s cloud-based infrastructure, integrated applications, and automation capabilities significantly improved reliability and efficiency.
17. METRO’s most recent FTA triennial review was conducted on conducted on March 1, 2023 (scoping meeting) with virtual site visits conducted on August 14-16, 2023. A draft report was completed September 15, 2023, with the final report released on October 10, 2023. The triennial review focused on compliance in 23 areas; three of which were not applicable to METRO. No deficiencies were found in 18 of the 20 areas of FTA requirements reviewed. Two deficiencies found in two review areas: Satisfactory Continuing Control and Section 5307 Program Requirements. Santa Cruz METRO responded to these deficiencies, which were closed out.
18. Community Bridges’ Lift Line demonstrated strong performance in expanding accessible transportation for vulnerable populations in Santa Cruz County. During the pandemic, it maintained essential service trips, including rides to vaccination centers, and increased weekday and weekend capacity by hiring more drivers. Ridership rebounded to pre-pandemic levels by FY 2025, with Elderday remaining its largest program, growing 15 percent due to increased attendance. Lift Line launched the Access for All program, offering \$5.00 rides—or free for eligible users—supported by a CPUC grant and managed via a mobile app.
19. The Volunteer Center demonstrated strong performance in delivering senior transportation services, supporting 201 clients with the help of 118 volunteers, and facilitating trips to 279 destinations. Innovative use of Google Hub software has streamlined dispatching, ride coordination, and data tracking, enhancing service quality and operational efficiency. The Center also played a vital role in regional disaster response, assisting with flood recovery in Pajaro and wildfire evacuations in Felton Grove, and distributed preparedness kits through a state grant partnership with Meals on Wheels.

Recommendations

1. **Activate and optimize the key performance indicators module contained in the Workday ERP and consider the acquisition of transit performance analysis software. (Santa Cruz METRO)**

This recommendation has been carried forward in this audit for full implementation. During the audit period, METRO undertook a significant modernization effort by implementing a new enterprise resource planning (ERP) system using Workday. This transformation was aimed at replacing outdated legacy systems and streamlining operations across finance, human resources, payroll, and procurement. One of the key features contained in Workday is a KPI module, which has yet to be activated. The development of a comprehensive set of KPIs through the Workday ERP could encompass:

- *Ridership & Demand Metrics:* Passenger trips per service type (fixed route versus ParaCruz and microtransit), peak versus off-peak demand.
- *Operational Efficiency:* On-time performance, average wait time, trip duration, vehicle utilization rates.
- *Financial Performance:* Farebox recovery ratio, cost per trip, operational expenditure trends.
- *Regulatory Compliance:* Accurate data reporting for State Controller Reports and National Transit Database submissions.
- *Customer Experience:* Rider satisfaction scores, accessibility enhancements, service reliability.

In addition, the agency is considering the acquisition of TransTrack, a comprehensive transit operations software designed to help transit agencies manage and analyze their data effectively. TransTrack is already utilized by transit systems and transportation planning agencies in Riverside and San Bernardino Counties. With these new tools in place or under consideration, particularly with the phased implementation of Reimagine METRO, the agency is encouraged to optimize the modules contained in these tools to implement a useful KPI system for analysis and planning purposes.

2. **Consider pursuing a local sales tax measure that would help sustain the recent system redesign (Santa Cruz METRO)**

METRO has proven adept at managing state and federal transportation resources over the years. Leadership has implemented transformative transit solutions, such as the Reimagine METRO initiative, launched in FY 2024, Youth Cruz Free program that further transit efficiency, accessibility, and equity. In addition, METRO has been active in repurposing its transit centers in Santa Cruz and Watsonville into transit-oriented development. With the challenges posed by the COVID-19 pandemic, federal stimulus programs have provided much needed support in the short-term to local transit operations and transportation programs. Once that stimulus

funding runs its course while existing and future expenditures continue, METRO and its partner agencies will have to consider other options.

A local dedicated sustainable revenue source to fund and support transportation priorities as well as provide a local match for state and federal grants could be considered. METRO currently receives a portion of local Measure D revenues to support ParaCruz operations and transit capital needs. To maintain newly expanded services and continue delivering on the goals of Reimagine METRO, a local sales tax measure may be warranted. However, this effort faces competition from other regional entities also seeking access to limited sales tax capacity.

Yet, without a dedicated and recurring revenue stream, METRO risks service reductions and delays in implementing key improvements. It is recommended that METRO consider placing a local transit sales tax measure on the ballot. A voter-approved funding mechanism would provide the financial certainty needed to sustain service enhancements, invest in zero-emission infrastructure, and meet the region’s evolving mobility needs. This measure would empower METRO to continue advancing equity, environmental stewardship, and economic vitality through reliable public transit.

Peer agencies in neighboring Central Coast counties have been successful in passing local transportation tax measures such as Measure X in Monterey County and Measure A in Santa Barbara County. By leveraging the success of Reimagine METRO, the agency could identify and recruit champions on the Board and in the community, who can effectively articulate the necessity of transportation self-help funding.

**3. Enhance Grant Pursuit and Administration Capacity through Third-Party Support.
(Community Bridges – Lift Line)**

Community Bridges is encouraged to strengthen its grant acquisition and management capabilities by contracting with a qualified third-party grants administrator and writer. While the organization currently receives funding from federal programs such as FTA Section 5310, local government contracts, and philanthropic sources like the Monterey Peninsula Foundation, staff have cited persistent challenges in navigating complex legal and governmental requirements that hinder direct grant application efforts. Engaging external expertise would allow Community Bridges to proactively identify and pursue a broader range of funding opportunities, including competitive grants for operating, capital, and programmatic support—and ensure compliance with reporting and administrative requirements. This strategic investment could enhance financial sustainability and expand service capacity across its transit and human services programs.

**4. Integrate the Transportation Program goals with those of the Grocery Shopper Program.
(City of Santa Cruz – Volunteer Center)**

This recommendation has been carried forward in this audit for full implementation. The Volunteer Center has focused its efforts on building back its volunteer driver pool since the

COVID-19 pandemic. The center experienced huge declines in volunteer participation rates in 2022 and 2003. However, 12 new volunteers were onboarded in 2024 within a six-month period. Despite these challenges, it has continued to maintain the Seniors Grocery Shopper Program. Performance data are reported quarterly to SCCRTC and the City of Santa Cruz. Ridership statistics for both the Transportation Program and the Grocery Shopper Program are tracked on a spreadsheet compiled by Volunteer Center staff quarterly. However, the program goals for the Transportation Programs have yet to be integrated with those of the Grocery Shopper Program. It is suggested once the volunteer driver pool has recovered to pre-pandemic levels that staff revisit setting measurable goals for both programs.