



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)
FINANCE, BUDGET, AND AUDIT STANDING COMMITTEE
MEETING MINUTES*
MAY 12, 2023 – 8:00 AM**

A regular meeting of the Finance, Budget, and Audit Standing Committee of the Santa Cruz Metropolitan Transit District (METRO) was convened on Friday, May 12, 2023.

The Committee Meeting Agenda Packet can be found online at www.SCMTD.com. *Minutes are “summary” minutes, not verbatim minutes. Audio recordings of Board meeting open sessions are available to the public upon request.

This document was created with accessibility in mind. With the exception of certain third party and other attachments, it passes the Adobe Acrobat XI Accessibility Full Check. If you have any questions about the accessibility of this document, please email your inquiry to accessibility@scmttd.com

- 1 **CALLED TO ORDER** by Director Kalantari-Johnson at 8:02 AM.
- 2 **SAFETY ANNOUNCEMENT**
Curtis Moses, Safety, Security and Risk Management Director, provided a brief safety announcement, highlighting METRO’s response to a medical emergency and its evacuation plan.
- 3 **ROLL CALL:** The following Directors were **present** via teleconference, representing a quorum:

Director Shebreh Kalantari-Johnson	City of Santa Cruz
Director Manu Koenig*	County of Santa Cruz
Director Donna Lind	City of Scotts Valley
Director Mike Rotkin	County of Santa Cruz

*An announcement was made, pursuant to Government Code Section 54953, that Director Koenig was joining via teleconference using the “just cause” exemption.

Michael Tree	METRO CEO/General Manager
Julie Sherman	METRO General Counsel

- 4 **ORAL AND WRITTEN COMMUNICATIONS TO THE FINANCE, BUDGET AND AUDIT STANDING COMMITTEE**
Hearing none, Director Kalantari-Johnson moved to the next agenda item.
- 5 **ADDITIONS OR DELETIONS FROM AGENDA/ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS**
Having none, Director Kalantari-Johnson moved to the next agenda item.

6 MONTHLY FINANCIAL UPDATE

Chuck Farmer, CFO, spoke to the presentation. He reviewed the April year-to-date revenues and expenses, as well as the capital budget spends.

Discussion centered on:

- Arrival of buses from San Diego
- Time required to inspect and wrap the buses before they can be driven
- Status update on Bus Operator training

Staff responded to all concerns.

There were no public comments.

Hearing nothing further, Director Kalantari-Johnson moved to the next agenda item.

7 KEY PERFORMANCE INDICATORS (KPI) REPORT FOR 3RD QUARTER THROUGH MARCH 31, 2023

Kristina Mihaylova, Finance Deputy Director, spoke to the presentation and provided updates on farebox recovery, fixed route and paratransit costs per revenue service hours. John Urgo, Planning and Development Director, reported on the ridership trends for UCSC, Cabrillo and Hwy. 17. Productivity continues to increase. Curtis Moses, METRO's Safety, Security and Risk Management Director, reviewed traffic and passenger accidents. Ms. Mihaylova covered reliability (chargeable road calls for fixed route, Hwy. 17 and ParaCruz) and dependability (cancelled trips and pass-ups).

Discussion followed on:

- Comparison of METRO's farebox recovery versus national average
- Free Fares Youth Program
- Impacts of winter storms
- Increasing service and the impact on road calls
- Pass-ups and contributing factors

Staff responded to all concerns.

There were no public comments.

Hearing nothing further, Director Kalantari-Johnson moved to the next agenda item.

8 REVIEW AND RECOMMEND APPROVAL OF SANTA CRUZ METRO'S DRAFT FY24 AND FY25 OPERATING BUDGETS AND FY24 CAPITAL BUDGET PORTFOLIO

Chuck Farmer, CFO, spoke to the presentation, focusing on changes since March 2023 in operating and non-operating revenue and expenses as well as reviewing the FY24 capital budget in detail.

Discussion followed on:

- CNG fuel sales
- Labor negotiations

- Reviewing the budget with the unions
- Workers' Compensation
- Rapid bus enhancements
- Purchase price of CNG versus electric or hydrogen buses
- Board Member travel to lobby Congress
- Employee events and providing notices to the Board sooner
- Restrictions of grants
- Request to add reserve bucket slide to May Board Agenda Packet

James Sandoval, SMART Chairperson, Local 0023, asked if it is necessary to continue transferring money from the operational budget to the capital budget with the recent grants received. CFO Farmer explained that we still need to transfer the money over. We have a backlog of replacing buses that are old and we need to keep replenishing our reserves so that we can replace 6-7 buses every year. Mr. Sandoval asked what the reserves look like at this time. CFO Farmer and Ms. Mihaylova reviewed the current status of the reserve buckets.

There were no further comments.

MOTION: RECOMMEND APPROVAL OF SANTA CRUZ METRO'S DRAFT FY24 AND FY25 OPERATING BUDGETS AND FY24 CAPITAL BUDGET PORTFOLIO TO THE FULL BOARD AS PRESENTED

MOTION: DIRECTOR ROTKIN

SECOND: DIRECTOR LIND

Motion passed unanimously.

9 ADJOURNMENT

Director Kalantari-Johnson adjourned the meeting at 9:05 AM.

Respectfully submitted,

Donna Bauer
Executive Assistant