



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)
FINANCE, BUDGET, AND AUDIT STANDING COMMITTEE MEETING MINUTES*
JANUARY 13, 2023 – 8:00 AM**

MEETING HELD VIA TELECONFERENCE

A regular meeting of the Finance, Budget, and Audit Standing Committee of the Santa Cruz Metropolitan Transit District (METRO) was convened on Friday, January 13, 2023, via teleconference.

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.

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1 CALLED TO ORDER by Director Rotkin at 8:04 AM.

2 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

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

3 ORAL AND WRITTEN COMMUNICATIONS TO THE FINANCE, BUDGET, AND AUDIT STANDING COMMITTEE

Hearing none, Director Rotkin moved to the next agenda item.

4 ADDITIONS OR DELETIONS FROM AGENDA/ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

Having none, Director Rotkin moved to the next agenda item.

5 YEAR TO DATE MONTHLY FINANCIAL REPORT AS OF DECEMBER 31, 2022

Chuck Farmer, CFO, spoke to the presentation and reviewed the six-month year-to-date actual versus operating surplus/deficit budget. He explained that these numbers are driven by the Bus Operator shortage and slightly offset by overtime. He continued with operating revenues and expenses and provided a forecast for the balance of FY23. He gave a brief recap of active capital projects.

There was no public comment.

6 ORAL SUMMARY OF AUDITED FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR’S REPORT FOR THE YEAR ENDED JUNE 30, 2022

A. FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR’S REPORT - JUNE 30, 2022

B. BROWN ARMSTRONG LETTER – REQUIRED COMMUNICATION TO THE BOARD

C. MEASURE D PROGRAM FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED JUNE 30, 2022

Chuck Farmer, CFO, introduced Lorraine Bayer, Accountant III. She spoke to the auditor's reports presented in the agenda packet and relayed that METRO received a clean, unmodified opinion. There were no reportable findings, no management letter or compliance issues. She reviewed the changes of the Governmental Accounting Standards Board (GASB) lease standards and METRO's pension obligation bonds and explained how they are depicted in the report.

Director Rotkin congratulated the financial staff on a doing a great job and providing a clean audit. Director Lind commented that she often uses METRO as an example because of the great job being done.

There was no public comment.

7 ADJOURNMENT

Director Rotkin adjourned the meeting at 8:20 AM.

Respectfully submitted,

Donna Bauer
Executive Assistant