



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)
FINANCE, BUDGET AND AUDIT STANDING COMMITTEE AGENDA
MEETING MINUTES*
MAY 10, 2019 – 8:00 AM
METRO ADMIN OFFICES
110 VERNON STREET
SANTA CRUZ, CA 95060**

A Finance, Budget and Audit Standing Committee Meeting was convened on Friday, May 10, 2019 at METRO's Admin offices at 110 Vernon Street, Santa Cruz, California. The Meeting Agenda Packet can be found online at www.SCMTD.com and is available for inspection at METRO's Administrative offices at 110 Vernon Street, Santa Cruz, California. *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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MEETING TIME: 8:00 AM

NOTE: THE COMMITTEE CHAIR MAY TAKE ITEMS OUT OF ORDER

1. CALL TO ORDER

Meeting was called to order at 8:02AM by Board Vice Chair Rotkin.

2. ROLL CALL: The following Directors were **present**, representing a quorum:

Director Trina Coffman-Gomez
Director Donna Lind
Director Donna Meyers
Director Mike Rotkin

Alex Clifford
Julie Sherman

City of Watsonville
City of Scotts Valley
City of Santa Cruz
County of Santa Cruz

METRO CEO/General Manager
METRO District Counsel

METRO EMPLOYEES AND MEMBERS OF THE PUBLIC WHO VOLUNTARILY INDICATED THEY WERE PRESENT (IN ALPHABETICAL ORDER) THROUGH A SIGN IN SHEET OR VERBAL INTRODUCTION WERE:

Debbie Kinslow, SCTMD

James Sandoval, SMART Local 23

3. **COMMUNICATIONS TO THE FINANCE, BUDGET & AUDIT STANDING COMMITTEE**
Having none, Vice Chair Rotkin moved to the next agenda item.
4. **ADDITIONS OR DELETIONS FROM AGENDA / ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS**
Hearing none, the Vice Chair Rotkin moved to the next agenda item.
5. **YEAR TO DATE QUARTERLY FINANCIAL REPORT AS OF MARCH 31, 2019**
Angela Aitken, CFO, and Alex Clifford, CEO, spoke to the presentation. Various funding sources, causes and suggested solutions were discussed.

There was no public comment.

6. **REVIEW AND RECOMMEND APPROVAL OF SANTA CRUZ METRO'S FY20 AND FY21 OPERATING BUDGET AND FY20 CAPITAL BUDGET**
Angela Aitken, CFO, spoke to the presentation, stressing the conservative outlook.

Discussion ensued among the assembly regarding economic optimism and potential effects. Fluctuations in funding sources and revenue and expenses were discussed. Possible impacts to other departments were discussed as a result of capital improvements and purchases. CEO Clifford suggested this committee consider setting a two-to-three month target for the Operating and Capital Reserve Fund balance, perhaps compare our policies to those of peer agencies.

CFO Aitken will provide the committee members with a copy of METRO's reserve policy survey for their reference.

Director Meyers suggested METRO review the capital budget for any possible conflicts between the capital and operating budgets.

Ridership, marketing and partnership opportunities were discussed among the Committee members.

CEO Clifford referred the assembly to pages 6C.6 (unfunded liability) and 6C.71 in the agenda, noting this will be addressed further at the May 17 board meeting,

In response to Director Meyers' questions regarding capital funding on pages 6.E.1 and 6.F.2, CEO Clifford clarified the use of PTMISEA funds.

There was no public comment.

MOTION TO RECOMMEND APPROVAL OF SANTA CRUZ METRO'S FY20 AND FY21 OPERATING BUDGET AND FY20 CAPITAL BUDGET AS PRESENTED

MOTION: Director Lind

SECOND: Director Coffman-Gomez

The motion passed unanimously.

Board Vice Chair Rotkin adjourned the meeting at 10:01 AM

Respectfully submitted,

Gina Pye
Executive Assistant