



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)  
FINANCE, BUDGET AND AUDIT STANDING COMMITTEE MEETING MINUTES\*  
SEPTEMBER 11, 2020 – 8:00AM  
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, September 11, 2020, via teleconference.

The Committee Meeting Agenda Packet can be found online at [www.SCMTD.com](http://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 **CALL TO ORDER** at 8:05 AM by Board Chair Rotkin.

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

**Director Trina Coffman-Gomez**  
**Director Donna Lind**  
**Director Donna Meyers**  
**Board Chair Mike Rotkin**

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

Alex Clifford  
Julie Sherman

METRO CEO/General Manager  
METRO General Counsel

METRO EMPLOYEES AND MEMBERS OF THE PUBLIC WHO VOLUNTARILY INDICATED THEY WERE PRESENT (IN ALPHABETICAL ORDER) WERE:

Angela Aitken  
Kristina Mihaylova

METRO CFO  
METRO Finance Deputy Director

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

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

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

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

5 **MONTHLY FINANCIAL UPDATE**

Angela Aitken, CFO, provided brief commentary to the presentation. There was some discussion regarding the various leaves and pay provided to METRO employees; e.g., COVID related, FamilyFirst, etc.

CEO Clifford elaborated on the “FY20 Operating Expenses by Major Expense Category” slide noting the implementation of the Operator A/B schedules skewed the results; i.e., essentially moving the expense from “labor-regular” to “fringe benefits”. Further discussion regarding the impact to overtime ensued.

There was no public comment.

**6 REQUEST AUTHORIZATION TO ISSUE A REQUEST FOR PROPOSALS FOR AN ENTERPRISE RESOURCE PLANNING (ERP) SYSTEM CONSULTANT**

Angela Aitken, CFO, provided commentary to the staff report. Director Coffman-Gomez inquired as to the timeframe for the entire ERP system and anticipated cost involved, emphasizing the anticipated lengthy integration curve.

CFO Aitken responded that today's request is for a consultant to obtain information to more accurately reflect the needs for an ERP RFP. From there, METRO will determine the best funding sources, etc. We anticipate the process covering a number of years.

CEO Clifford also noted that, due to the length of implementation time anticipated, we want to ensure we don't inadvertently model ourselves out of date.

Based on a suggestion from Director Coffman-Gomez, Danielle Glagola, Marketing, Communications & Customer Service Director, will investigate options for a public posted project status site at [www.scmttd.com](http://www.scmttd.com).

There were no public comments

**ACTION: MOTION TO RECOMMEND AUTHORIZATION TO ISSUE A REQUEST FOR PROPOSALS FOR AN ENTERPRISE RESOURCE PLANNING (ERP) SYSTEM CONSULTANT AS PRESENTED**

**MOTION: DIRECTOR MEYERS**

**SECOND: DIRECTOR COFFMAN-GOMEZ**

**The motion was unanimous by a roll call vote.**

**7 COVID-19 TRANSIT FISCAL CRISIS ORAL UPDATE**

Alex Clifford, CEO/General Manager, advised the assembly that we have technically spent all of the issued CARES Act funding and some carryover revenues will be put into a COVID reserve bucket to be drawn down over time. Kristina Mihaylova, Deputy Finance Director, is working on a two-year financial projection model to help us manage our resources and anticipate when the fiscal cliff is approaching. At this time, preliminary indications are we will potentially get through December 2021, assuming all current factors remain consistent. The sales tax revenue was actually a bit higher than budgeted. We believe it was augmented by the additional \$600/week provided through the federal government to unemployed persons; we anticipate the October 2020 sales tax revenue will provide a insight into the anticipated revenue(s) as it will be a reflection of August 2020 sales. CEO Clifford cautioned the committee that if economy-based revenue sources begin to plummet, post July 31, and those losses are rolled through the two-year model, the fiscal cliff looms significantly closer.

We hope UCSC and Cabrillo College return in January at a level near pre-COVID. If so, will we have the manpower to provide their requested service? We continue to manage our resources to avoid layoffs and furloughs; however, not filling vacancies caused by retirement may impact our ability to react to an increase in student riders.

The President has authorized FEMA to use Stafford Act disaster relief funds to provide supplemental payments for lost wages. This means, as of September 15, 2020 FEMA funding will be focused on agencies exclusively working on COVID-19 emergency protective measures. The approximate \$500K expense incurred with the conversion of the Operator clear curtain to a more permanent barrier will not be covered by FEMA funds.

Suggestions to hire part time Operators were discussed, but dismissed for a number of reasons.

METRO benefits from it's close ties to UCSC and Cabrillo; however, the institutions themselves are unable to project what the future learning environment will be; e.g., remote or onsite.

There were no public comments.

- 8 **ADJOURNMENT**  
Board Chair Rotkin adjourned the meeting at 8:45AM.

Respectfully submitted,  
Gina Pye  
Executive Assistant