



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)
FINANCE, BUDGET, AND AUDIT STANDING COMMITTEE
MEETING MINUTES*
SEPTEMBER 13, 2024 – 8:30 AM**

A regular meeting of the Finance, Budget, and Audit Standing Committee of the Santa Cruz Metropolitan Transit District (METRO) was convened on Friday, September 13, 2024.

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 Kalantari-Johnson at 8:33 AM.

2 SAFETY DEBRIEF

Gregory Strecker, Safety, Security & Risk Management Director, provided a debriefing on safety, emphasizing METRO’s response to a fire, earthquake and/or medical emergency, evacuation routes, and an active shooter situation.

3 ROLL CALL: The following Directors were **present**, 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 <i>AR 8:35 AM</i>	County of Santa Cruz
Julie Sherman	METRO General Counsel

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

Having 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 YEAR-TO-DATE MONTHLY FINANCIAL REPORT AS OF JUNE 30, 2024 – PRE-CLOSE / PRE-AUDIT

Chuck Farmer, CFO, spoke to the presentation. He reviewed June’s operating revenues and expenses deficit and explained that the primary reasons were increased overtime, fringe benefits, and non-personnel costs. He highlighted that the sales tax received was 20.4% lower than budgeted. He also reviewed the surpluses in the full-year analysis and finished with a recap of the capital budget spends.

Discussion followed on:

- Sales tax reduction
- Hydrogen fuel supplies and costs
- Percentage of fleet that is hydrogen and electric

Staff addressed 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 4TH QUARTER THROUGH JUNE 30, 2024

Kristina Mihaylova, Finance Deputy Director, spoke to the presentation and, along with staff members, provided an overview of the farebox recovery; fixed route/commuter costs per revenue service hours; ParaCruz costs per trip; productivity of total ridership; UCSC, Cabrillo College, Highway 17 and local ridership; traffic accidents and passenger incidents; chargeable road calls on all routes; cancelled trips by cause and region; and pass-ups.

Further discussion focused on:

- Highway 17 performance and service changes
- Youth Cruz Free pilot program and its growth
- Addressing pass-ups on UCSC campus
- Occurrence of traffic accidents, damage to buses, and subsequent VTT (Verification of Transit Training) and 1:1 retraining provided
- Reportable incidents 15' around the bus
- Shortage of bus parts
- Breakdowns of the electric buses and technology challenges
- Cancelled trips and minimizing the wait for riders

Staff addressed all concerns.

There were no public comments.

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

8 ADOPTION OF THE REVISED FY25 AND FY26 BUDGET

Chuck Farmer, CFO, spoke to the presentation and reviewed the revised FY25 and FY26 operating budgets and the projected operating reserves with the recommendation of adopting these revised budgets to the full Board of Directors. He focused on the changes that have taken place since the June 28, 2024 Board of Directors' Meeting.

Discussion continued on:

- Zero fares
- Operating and Capital Reserve Fund changes

There were no public comments.

MOTION: RECOMMEND ADOPTION OF THE REVISED FY25 AND FY26 BUDGET TO THE FULL BOARD AS PRESENTED

MOTION: DIRECTOR ROTKIN

SECOND: DIRECTOR LIND

Motion passed with 4 AYES (Directors Kalantari-Johnson, Koenig, Lind and Rotkin).

9 ADJOURNMENT

Director Kalantari-Johnson adjourned the meeting at 9:27 AM.

Respectfully submitted,

Donna Bauer
Executive Assistant