



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)
FINANCE, BUDGET AND AUDIT STANDING COMMITTEE AGENDA
MEETING MINUTES
MAY 8, 2017 – 9:00 AM
METRO ADMIN OFFICES
110 VERNON STREET
SANTA CRUZ, CA 95060**

The Finance, Budget and Audit Standing Committee Meeting Agenda Packet can be found online at www.SCMTD.com and is available for inspection at Santa Cruz Metro's Administrative offices at 110 Vernon Street, Santa Cruz, California.

This document has been created with accessibility in mind. With the exception of certain 3rd 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@scmtd.com

COMMITTEE ROSTER

Director John Leopold	County of Santa Cruz
Director Donna Lind	City of Scotts Valley
Director Cynthia Mathews	City of Santa Cruz
Director Oscar Rios	City of Watsonville
Julie Sherman	METRO District Counsel

MEETING TIME: 9:00AM

NOTE: THE COMMITTEE CHAIR MAY TAKE ITEMS OUT OF ORDER

In the absence of Committee Chair Leopold, Director Mathews was nominated and unanimously approved as Acting Committee Chair for today's meeting.

1 CALL TO ORDER

Meeting was called to order at 9:06AM by Acting Committee Chair Mathews.

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

Director Cynthia Mathews	City of Santa Cruz
Director Donna Lind	City of Scotts Valley
Director Oscar Rios	City of Watsonville

Director Leopold was not present.

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

Angela Aitken, METRO
Debbie Kinslow, METRO

Kristina Mihaylova, METRO

3 COMMUNICATIONS TO THE FINANCE, BUDGET & AUDIT STANDING COMMITTEE

Hearing none, the Acting Committee Chair moved to the next agenda item.

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

Hearing none, the Acting Committee Chair moved to the next agenda item.

5 ACCEPT AND FILE MINUTES OF THE MARCH 3, 2017 FINANCE, BUDGET AND AUDIT STANDING COMMITTEE MINUTES

ACTION: MOTION TO ACCEPT AND FILE THE MINUTES OF THE MARCH 3, 2017 FINANCE, BUDGET AND AUDIT STANDING COMMITTEE AS PRESENTED.

MOTION: Director Lind SECOND: Director Mathews

ABSTAIN: Director Rios

MOTION CARRIED.

6 DISCUSSION AND REVIEW OF FY18 & FY19 OPERATING BUDGET AND FY18 CAPITAL BUDGET:

- A. 5-Year Budget Plan**
- B. FY18 & FY19 Operating Budget - Revenue Sources**
- C. Budget Assumptions – Revenue Sources**
- D. FY18 & FY19 Operating Budget – Consolidated Expenses**
- E. Budget Assumptions – Operating Expenses**
- F. Authorized and Funded Personnel : FY18 & FY19**
- G. FY17 PRELIMINARY Schedule of Reserve Account Balances – Unaudited as of 05/08/2017**
- H. FY18 Capital Budget**
- I. Unfunded Capital Projects**
- J. Common Industry Acronyms**

Finance Manager, Angela Aitken, outlined the documents to be discussed. At today's meeting, staff is seeking Committee approval of the budget assumptions and recommendation to present to the full board at the May 19, 2017 meeting with the FY18 and FY19 budget. She noted that, due to its successful passage, SB1 funding is now included in

the budget assumptions, although there remains some risk that the measure could be overturned in the future.

Acting Committee Chair Mathews asked why passenger fares were level across 5 years.

Ms. Aitken explained the rationale for the assumption.

Director Lind asked if METRO was considering fare increases.

Ms. Aitken reminded the Committee that CEO Clifford had advised the board members at the April Board meeting that FY17 would be a 'lull' year. She said METRO will begin looking at fare increases in FY18 but at this time can't say when that will occur. In 2012, METRO implemented an agency-wide fare increase. In 2015, Highway 17 fares were increased and the ParaCruz fares were adjusted.

Director Lind verbally shared PERS funding information recently presented to the Scotts Valley City Council by an outside consultant.

Director Rios asked Ms. Aitken why the workers' compensation reserves were down. She answered that the balance is approximately \$1M short and has been historically underfunded. The Board adopted minimum or target level, based on an analysis provided every two years.

Acting Committee Chair Mathews inquired regarding METRO's level of workers' comp claims.

Ms. Aitken responded that claims are down but there are a few long term claims. New workers' comp claims have not been extreme or large. METRO has taken a proactive approach by initiating a relatively new ergonomic policy and we have a great operator training program, which included union involvement when the larger buses were added to the fleet 12 – 15 years ago. These efforts have led to fewer and less expensive claims.

Director Mathews requested the information presented on page 6H.1 be provided in a larger format at the May 19, 2017 board meeting.

Director Rios voiced his appreciation for the presentation. He realizes there are many factors, which influence these decisions. Based on what he has learned so far, he concurs with the assumptions.

ACTION: MOTION TO CONCUR WITH THE ASSUMPTIONS PRESENTED AND PROVIDE THE INFORMATION TO THE FULL BOARD AT THE MAY 19, 2017 BOARD MEETING.

MOTION: Director Lind

SECOND: Director Rios

MOTION CARRIED.

Acting Committee Chair Mathews adjourned the meeting at 10:38AM

Pursuant to Section 54954.2(a)(1) of the Government Code of the State of California, this agenda was posted at least 72 hours in advance of the scheduled meeting at a public place freely accessible to the public 24 hours a day. The agenda packet and materials related to an item on this Agenda submitted after distribution of the agenda packet are available for public inspection in the Santa Cruz METRO Administrative Office (110 Vernon Street, Santa Cruz) during normal business hours. Such documents are also available on the Santa Cruz METRO website at www.scmttd.com subject to staff's ability to post the document before the meeting.