



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)  
FINANCE, BUDGET AND AUDIT STANDING COMMITTEE MEETING MINUTES\*  
JUNE 12, 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, June 12, 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 8:03 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** joined via phone 8:04A  
**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  
John Urgo

METRO CFO  
METRO Interim Finance Deputy Director  
METRO Planning & Development 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.

Discussion among the assembly ensued regarding STIC funding, methodology, etc. CEO Clifford explained that there is a two-year lag in receipt of the funds and the amount is based on submitted NTD data. On behalf of all STIC-recipient agencies, he submitted a request to the FTA that they use/freeze allocations at the 2019 data level based on the theory that the nation would be in recovery mode in two to three years and we could return to the “normal” process. To date, no response has been received from the FTA although there is a growing movement in regulatory relief requests.

**ACTION: MOTION TO RECOMMEND APPROVAL OF THE MONTHLY FINANCIAL UPDATE AS PRESENTED**

**MOTION: DIRECTOR MEYERS**

**SECOND: DIRECTOR ROTKIN**

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

There was no public comment.

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

Alex Clifford, CEO/General Manager, requested Agenda Items 6 and 7 be combined for discussion purposes. He then spoke to the two-year fiscal year model shared by Kristina Mihaylova. He noted that the model would be updated on a regular basis to provide advance notice of any impending fiscal cliff.

He then drew the assembly's attention to the slide on page 6.2, explaining the methodology for the use of the reserves and CARES Act funds.

There were no public comments.

**7 REVIEW AND RECOMMEND APPROVAL OF SANTA CRUZ METRO'S POLICY STATEMENT REGARDING FY20 CARRYOVER TO THE FY21 AND FY22 OPERATING BUDGET**

CEO Clifford briefly summarized and requested approval of the agenda item to the full board.

There were no public comments

**ACTION: MOTION TO RECOMMEND APPROVAL OF SANTA CRUZ METRO'S POLICY STATEMENT REGARDING FY20 CARRYOVER TO THE FY21 AND FY22 OPERATING BUDGET AS PRESENTED**

**MOTION: DIRECTOR MEYERS**

**SECOND: DIRECTOR LIND**

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

**8 REVIEW AND RECOMMEND ADOPTION OF THE FINAL FY21 AND FY22 BUDGET, FY21 BUDGET**

Angela Aitken, CFO, provided commentary to the presentation, reminding the assembly that this is a pre-COVID budget reflecting the best information currently available. A revision is anticipated in the fall of 2020. Ms. Aitken then highlighted the slides reflecting changes since the budget was presented in May (8A.8, 8A.9, 8A.10 and 8A.15) and added commentary to slides 8A.17 and 8A.18.

In response to Chair Rotkin's inquiry regarding the timing of internet versus brick and mortar sales tax revenue, Ms. Aitken responded that they should be received simultaneously; however, the state has provided a 90-day deferral/leniency to retailers in paying their sales tax. She is concerned that if a company goes out of business during that 90 days, the revenue may be lost forever. A financial analyst is currently investigating this further. March receipts were reflected in April; April's receipts will be known on June 22 (the first complete COVID month).

CEO Clifford briefly highlighted the components and status of the proposed "Invest in America" and "CARES Act II" programs.

There were no public comments

**ACTION: MOTION TO RECOMMEND ADOPTION OF THE FINAL FY21 AND FY22 BUDGET, FY21 BUDGET AS PRESENTED**

**MOTION: DIRECTOR LIND**

**SECOND: DIRECTOR ROTKIN**

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

**9 REVIEW AND RECOMMEND ADOPTION OF A CODIFIED TARIFF FOR THE SANTA CRUZ METROPOLITAN TRANSIT SYSTEM**

ADC provided a brief explanation of the process.

*Donna Meyers departed at 8:45A*

There were no public comments

**ACTION: MOTION TO RECOMMEND ADOPTION OF A CODIFIED TARIFF FOR THE SANTA CRUZ METROPOLITAN TRANSIT SYSTEM AS PRESENTED**

**MOTION: DIRECTOR MEYERS**

**SECOND: DIRECTOR LIND**

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

**10 ADJOURNMENT**

Board Chair Rotkin adjourned the meeting at 8:48AM.

Respectfully submitted,

Gina Pye

Executive Assistant