



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)
FINANCE, BUDGET, AND AUDIT STANDING COMMITTEE MEETING MINUTES*
MAY 13, 2022 – 8:00 AM**

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, May 13, 2022, via teleconference.

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 Lind at 8:03 AM.

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

Director Shebreh Kalantari-Johnson
Director Manu Koenig
Director Donna Lind
Director Mike Rotkin

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

Michael Tree
Julie Sherman

METRO CEO/General Manager
METRO General Counsel

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

Hearing none, Director Lind moved to the next agenda item.

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

Having none, Director Lind moved to the next agenda item.

5 KEY PERFORMANCE INDICATORS (KPI) REPORT FOR 3RD QUARTER THROUGH MARCH 31, 2022

Kristina Mihaylova, Deputy Finance Director, spoke to the presentation providing targets, average numbers, trends, and National Transit Database (NTD) peer data. She began with METRO’s financial performance.

John Urgo, Planning and Development Director, reviewed the ridership statistics. Director Kalantari-Johnson expressed concern over the Hwy. 17 ridership levels and asked what the future expectation is for this route. Mr. Urgo said we expect the San Jose State University (SJSU) numbers to return but the tech sector ridership will probably not rebound. Director Rotkin asked if all of the routes are being reviewed for possible service cuts. Mr. Urgo replied

that METRO adjusted its targets down since COVID. However, METRO still provides service to all areas even if the productivity has not fully recovered.

Curtis Moses, Safety, Security & Risk Management Director, reviewed traffic and passenger accidents. Director Rotkin asked if METRO does any advertising to the public to help prevent some of these accidents. Mr. Moses said he would reach out to the Marketing Director on a preventative measures campaign.

Eddie Benson, Maintenance Manager, gave an overview on the reliability of METRO's vehicles.

Margo Ross, Chief Operations Officer, discussed dependability with regards to cancelled trips and pass-ups. Discussion followed on reliability issues at the University of California Santa Cruz (UCSC) campus and the strategy behind determining which routes get cancelled and the impacts of those cancellations. COO Ross said METRO is actively working on a plan to address our staff shortages which is at the root of the cancellations.

Deputy Finance Director Mihaylova wrapped up the presentation with the peer comparisons.

There were no public comments.

Due to time constraints, Item 7 was moved before Item 6.

6 MONTHLY FINANCIAL UPDATE

Chuck Farmer, CFO, provided a brief overview of the year-to-date key financial highlights as of April 30, 2022.

Director Rotkin asked if METRO is doing mandatory overtime. COO Ross said no; it is all voluntary.

There were no public comments.

7 REVIEW AND RECOMMEND APPROVAL OF SANTA CRUZ METRO'S DRAFT FY23 AND FY24 OPERATING BUDGETS AND FY23 CAPITAL BUDGET

Chuck Farmer, CFO, reviewed the FY23 operating/non-operating revenue and expense assumptions, FY23 capital budget, and FY24 budget assumptions.

Director Koenig asked what the (UCSC) and Cabrillo College ridership numbers are based on. Mr. Urgo said UCSC is based on passenger boardings and pre-COVID numbers. UCSC is committed to renewing its contract at pre-COVID levels. Cabrillo is based on the service METRO provides. Because of its lower enrollment numbers, it didn't get as much service and as a result, is collecting less fees from students.

Director Rotkin asked about the PG&E increase of 9.5%. CFO Farmer said it is an all-inclusive fee from charging the buses to maintaining our facilities. Director Kalantari-Johnson noted the overtime increase of 16.9% and was concerned on the impacts to the Bus Operators and their retention. CFO Farmer explained that when the budget is prepared, we budget as though we are fully staffed; but currently, we have a staff shortage and that results in the overtime increase.

Director Rotkin questioned moving the money from the American Rescue Plan Act (ARPA) to the capital budget and how this will affect METRO down the road (e.g., fiscal crisis sooner rather than later). CFO Farmer said the crisis has been pushed out past 2030 giving us more relief than we initially expected.

There were no public comments.

MOTION: RECOMMEND APPROVAL OF SANTA CRUZ METRO'S DRAFT FY23 AND FY24 OPERATING BUDGETS AND FY23 CAPITAL BUDGET TO THE FULL BOARD AS PRESENTED

MOTION: DIRECTOR ROTKIN

SECOND: DIRECTOR KOENIG

Motion passed unanimously.

Director Lind left after Item 7 at 9:14 AM.

8 ADJOURNMENT

Director Rotkin adjourned the meeting at 9:21 AM.

Respectfully submitted,

Donna Bauer
Executive Assistant