



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)
FINANCE, BUDGET AND AUDIT STANDING COMMITTEE AGENDA
REGULAR MEETING**

APRIL 8, 2022 – 8:00 AM

DUE TO COVID-19, THE APRIL 8, 2022 SANTA CRUZ METRO FINANCE, BUDGET AND AUDIT STANDING COMMITTEE MEETING WILL BE CONDUCTED AS A TELECONFERENCE ONLY (NO PHYSICAL LOCATION) PURSUANT TO ASSEMBLY BILL 361 (GOVERNMENT CODE SECTION 54953)

MEMBERS OF THE PUBLIC MAY NOT ATTEND THIS MEETING IN PERSON

The public may participate remotely via the Zoom website [at this link](#) and following the instructions or by calling 1-669-900-9128 Meeting ID 872 8584 8529 Passcode 396474

Public comment may be submitted via email to boardinquiries@scmtd.com. Please indicate in your email the agenda item to which your comment applies. Comments submitted before the meeting will be provided to the Directors before or during the meeting. Comments submitted after the meeting is called to order will be included in the Board's correspondence that is posted online at the board meeting packet link. . Oral public comments will also be accepted during the meeting through Zoom. Should Zoom not be operational, please check online at: www.scmtd.com for any updates or further instruction.

The Finance, Budget and Audit Standing Committee Meeting Agenda Packet can be found online at www.SCMTD.com.

The Committee may take action on each item on the agenda. The action may consist of the recommended action, a related action or no action. Staff recommendations are subject to action and/or change by the Board of Directors.

COMMITTEE ROSTER

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

Dawn Crummié
Julie Sherman

METRO Interim CEO/General Manager
METRO District Counsel

MEETING TIME: 8:00 AM

NOTE: THE COMMITTEE CHAIR MAY TAKE ITEMS OUT OF ORDER

1 CALL TO ORDER

2 ROLL CALL

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

This time is set aside for Directors and members of the public to address any item not on the Agenda, but which is within the matter jurisdiction of the Committee. If you wish to address the Committee, please follow the directions at the top of the agenda. If you have anything that you wish distributed to the Committee and included for the official record, please include it in your email. Comments that require a response may be deferred for staff reply.

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

5 MONTHLY FINANCIAL UPDATE

Chuck Farmer, CFO

6 ADJOURNMENT

Accessibility for Individuals with Disabilities

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. Upon request, Santa Cruz METRO will provide for written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in and provide comments at/related to public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, auxiliary aid, service or alternative format requested at least two days before the meeting. Requests should be emailed to boardinquiries@scmtd.com or submitted by phone to the Executive Assistant at 831.426.6080. Requests made by mail (sent to the Executive Assistant, Santa Cruz METRO, 110 Vernon Street, Santa Cruz, CA 95060) must be received at least two days before the meeting. Requests will be granted whenever possible and resolved in favor of accessibility.

Public Comment

If you wish to address the Board, please follow the directions at the top of the agenda. If you have anything that you wish distributed to the Board and included in the official report, please include it in your email. Comments that require a response may be deferred for staff reply.



Year to Date Monthly Financial Report as of March 31, 2022

Finance, Budget & Audit Standing Committee

April 8, 2022

Chuck Farmer, Chief Financial Officer

March 2022 Key Financial Highlights

<p>Service</p>	<ul style="list-style-type: none"> Fixed Route (including Hwy 17) Cost per Revenue Service Hour is \$XXX vs Budget of \$366 <ul style="list-style-type: none"> XX canceled trips ParaCruz Cost per Trip is \$XX vs Budget of \$102 Non-Student/Hwy 17 Passengers is XXX vs Budget of 124,878
<p>Financials*</p>	<ul style="list-style-type: none"> Total Operating Surplus/(Deficit) is favorable \$0.2M driven by lower wages of \$0.1M and fringe of \$0.3M; partially offset by higher OT of \$0.2M Non-Operating Revenues of \$4.6M are \$1.2M favorable vs budget of \$3.3M driven primarily by unbudgeted COVID Relief grants of \$1.5M
<p>Capital</p>	<ul style="list-style-type: none"> Capital spend of \$22K is \$254K lower than budget of \$276K primarily due to delivery delay of seven ParaCruz vans due to the chip shortage
<p>Personnel</p>	<ul style="list-style-type: none"> XXX Active Personnel vs 321 Funded Personnel XX Vacancies at end of March, XX related to Paratransit and Bus Operators Recruitment has been completed for CEO/General Manager, and Administrative Specialist

March 2022, Pre-Close Financials

March 31, 2022

Monthly Operating Revenue and Expenses

March 31, 2022

	Actual*	Budget	Fav / (Unfav)
Operating Revenue			
Passenger Fares	\$ 203 \$	221 \$	(18)
Special Transit Fares	438	440	(2)
Total Operating Revenue	\$ 641 \$	661 \$	(20)
Operating Expense			
Labor - Regular	\$ 1,458 \$	1,577 \$	119
Labor - OT	267	70	(197)
Fringe	1,395	1,678	283
Non-Personnel (excludes COVID costs)	824	843	19
Total OpEx	\$ 3,944 \$	4,168 \$	224
Operating Surplus/(Deficit)	\$ (3,303) \$	(3,507) \$	204
	16.3%	15.9%	0.4%
	<i>Farebox Recovery</i>		
Non-Operating Revenue/(Expense)			
Sales Tax/including Measure D	\$ 2,251 \$	1,831 \$	420
Federal/State Grants	1,867	1,867	-
COVID Relief Grants	1,473	-	1,473
COVID Related Costs	(19)	(10)	(9)
Pension UAL/Bond Payment	(1,096)	(471)	(625)
All Other	77	88	(11)
Total Non-Operating Revenue/(Expense)	\$ 4,553 \$	3,305 \$	1,248
Operating Surplus/(Deficit) before Transfers	\$ 1,250 \$	(202) \$	1,452
Transfers and Other			
Transfers to Bus Replacement Fund	\$ (185) \$	(154) \$	(31)
Operating Surplus/(Deficit) after Transfers	\$ 1,065 \$	(356) \$	1,421

- Favorable wages and fringe driven by shortage of bus drivers and other vacant positions
- \$1.5M COVID Relief grant is the first draw of the ARPA funding
- Sales tax of \$2.3M is 23% higher than budget
- Pension UAL higher due to the Bond payment plus the normal UAL payment that will be credited to the Pension account in August/September of 2022

* Bus Replacement Fund – Minimum \$3M annual commitment from Measure D sales tax (\$2.2M) and STA-SGR (\$0.8M)

* Pre-close financials, subject to adjustments post close

March 31, 2022

YTD Operating Revenue and Expenses

YTD as of March 31, 2022

\$ 000's	Actual*	Budget	Fav / (Unfav)
Operating Revenue			
Passenger Fares	\$ 1,587	\$ 1,634	\$ (47)
Special Transit Fares	4,237	4,456	(219)
Total Operating Revenue	\$ 5,824	\$ 6,090	\$ (266)
Operating Expense			
Labor - Regular	\$ 12,008	\$ 14,191	\$ 2,183
Labor - OT	2,105	832	(1,273)
Fringe	13,966	15,395	1,429
Non-Personnel <i>(excludes COVID costs)</i>	7,697	7,755	58
Total OpEx	\$ 35,776	\$ 38,173	\$ 2,397
Operating Surplus/(Deficit)	\$ (29,952)	\$ (32,083)	\$ 2,131
	<i>16.3%</i>	<i>16.0%</i>	<i>0.3%</i>
	<i>Farebox Recovery</i>		
Non-Operating Revenue/(Expense)			
Sales Tax/including Measure D	\$ 24,335	\$ 19,591	\$ 4,744
Federal/State Grants	14,825	14,991	(166)
COVID Relief Grants	8,727	-	8,727
COVID Related Costs	(240)	(91)	(149)
Pension UAL/Bond Payment	(4,399)	(4,238)	(161)
All Other	550	490	60
Total Non-Operating Revenue/(Expense)	\$ 43,798	\$ 30,743	\$ 13,055
Operating Surplus/(Deficit) before Transfers	\$ 13,846	\$ (1,340)	\$ 15,186
Transfers and Other			
Transfers to Bus Replacement Fund	\$ (2,207)	\$ (1,598)	\$ (609)
Operating Surplus/(Deficit) after Transfers	\$ 11,639	\$ (2,938)	\$ 14,577

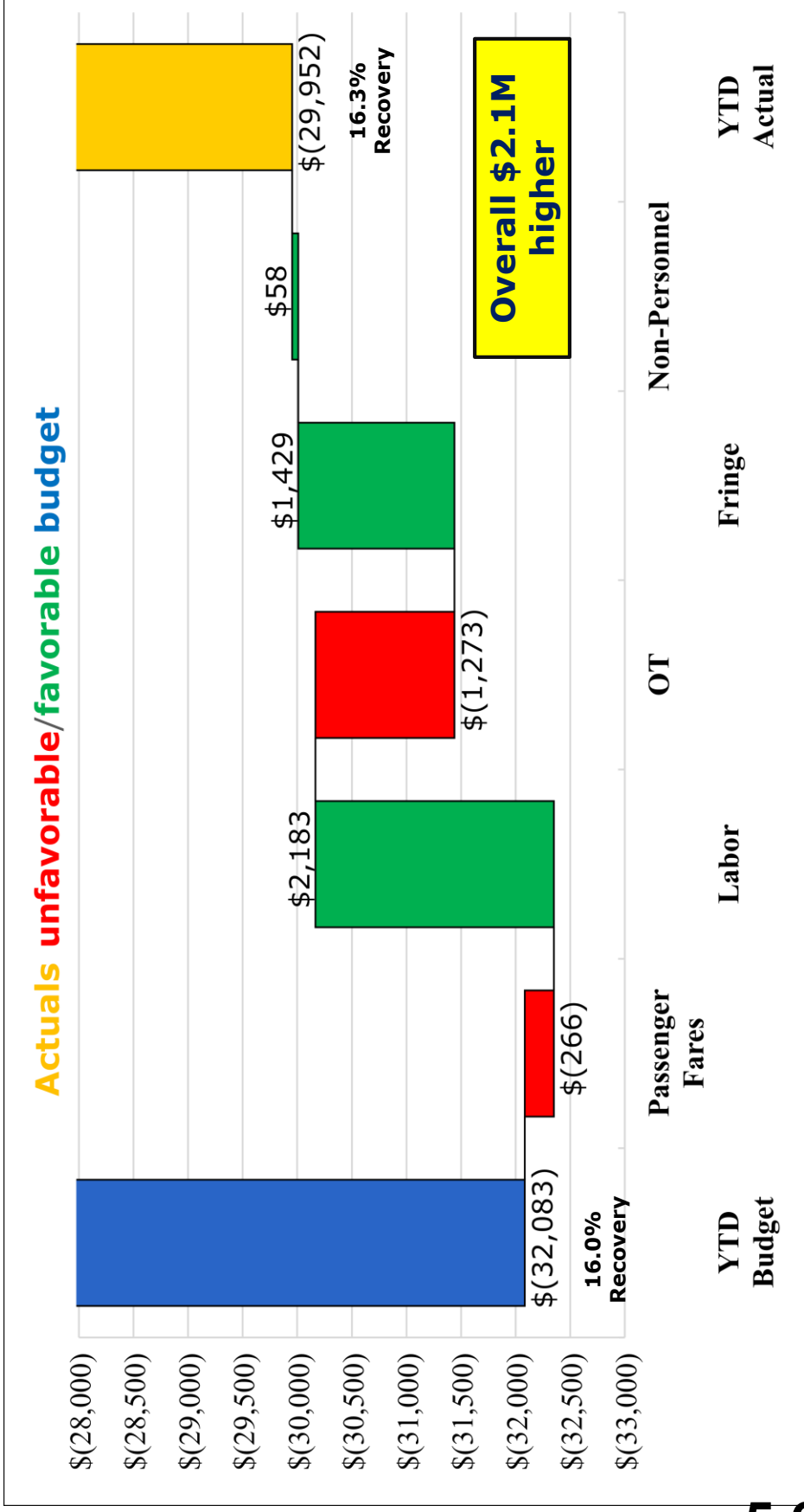
- Favorable wages and fringe driven by shortage of bus drivers and other vacant positions; partially offset by increased OT
- \$8.7M in COVID Relief funding driven by \$1.5M in ARPA funding and \$7.3M of the CRRSAA COVID funding
- Sales tax of \$24.3M is 24% higher than budget

* Bus Replacement Fund – Minimum \$3M annual commitment from Measure D sales tax (\$2.2M) and STA-SGR (\$0.8M)

* Pre-close financials, subject to adjustments post close

March YTD FY22 Operating Revenue & Expense Actual* vs. Budget

\$000's



* Excludes Transfers

* Pre-close financials, subject to adjustments post close; excludes Transfers, includes COVID revenues

June 30, 2022

Estimated Full Year Operating Revenue and Expenses

Full Year Estimate as of June 30, 2022

	Forecast*	Budget	Fav / (Unfav)
Operating Revenue			
Passenger Fares	\$ 2,177	\$ 2,295	(118)
Special Transit Fares	5,846	6,025	(179)
Total Operating Revenue	\$ 8,023	\$ 8,320	(297)
Operating Expense			
Labor - Regular	\$ 16,134	\$ 18,922	2,788
Labor - OT	2,980	1,133	(1,847)
Fringe	18,683	20,481	1,798
Non-Personnel (excludes COVID costs)	10,508	10,308	(200)
Total OpEx	\$ 48,305	\$ 50,844	2,539
Operating Surplus/(Deficit)	\$ (40,282)	\$ (42,524)	2,242
	16.6%	16.4%	0.2%
	<i>Farebox Recovery</i>		
Non-Operating Revenue/(Expense)			
Sales Tax/including Measure D	\$ 31,950	\$ 26,303	5,647
Federal/State Grants	20,947	19,451	1,496
COVID Relief Grants	8,727	-	8,727
COVID Related Costs	(300)	(121)	(179)
Pension UAL/Bond Payment	(7,687)	(5,650)	(2,037)
All Other	682	677	5
Total Non-Operating Revenue/(Expense)	\$ 54,319	\$ 40,660	13,659
Operating Surplus/(Deficit) before Transfers	\$ 14,037	\$ (1,864)	15,901
Transfers and Other			
Transfers to Bus Replacement Fund	\$ (2,876)	\$ (2,240)	(636)
Transfers to Capital, UAL/OPEB Funds, and Reserves Replenishment	(5,922)	(2,175)	(3,747)
Transfers (to) / from COVID Reserve Fund	(5,239)	6,279	(11,518)
Operating Surplus/(Deficit) after Transfers	\$ -	\$ -	-

- Operating Surplus/(Deficit) expected to be \$2.2M favorable to budget due to continued vacant positions through the fiscal year
- Non-Operating projected to be favorable by \$13.7M

- Sales Tax/Measure D up 21.5% over budget due to strong local sales
- \$8.7M in COVID Relief funding driven by \$1.5M in ARPA funding and \$7.3M of the CRRSAA COVID funding
- Bond/UAL \$2.0M unfavorable due to the normal UAL payment that will be credited to the Pension account in August/September 2022

* Bus Replacement Fund – Minimum \$3M annual commitment from Measure D sales tax (\$2.2M) and STA-SGR (\$0.8M)

Capital Spending & Project Completion

March 31, 2022

Capital Budget Spend

Project Category:	Month to Date		Year to Date		Full Year	
	Actuals*	Budget	Actuals*	Budget	Budget**	% Spend
Construction Related Projects	\$ -	\$ 50	\$ 43	\$ 114	\$ 646	6.7%
IT Projects	-	-	49	49	49	100.0%
Facilities Repair & Improvements	-	-	332	518	1,781	18.6%
Revenue Vehicle Replacement	22	22	4,105	5,575	7,092	57.9%
Revenue Vehicle Electrification Projects	-	176	73	176	1,181	6.2%
Non-Revenue Vehicle Replacement	-	-	32	96	250	12.8%
Fleet & Maintenance Equipment	-	-	48	48	128	37.5%
Misc.	-	-	123	67	423	29.1%
Total \$	22 \$	248 \$	\$ 4,805	\$ 6,643	\$ 11,550	41.6%

- ✓ March spending of \$22K is the lease payment on three buses
- ✓ YTD spending of \$4,805K is behind budget for the fiscal year primarily due to cancelation of AVL/ITS contract, delay of 7 ParaCruz vans due to chip shortages, and demo of buildings and repair of sink hole at Golf Club Dr.

- Pre-close financials, subject to adjustments post close
- Revised Budget approved by BoD in January 2022

June 30, 2022

Estimated Full Year Capital Spend

Project Category:	Full Year		Variance
	Estimate*	Budget**	
Construction Related Projects	\$ 212	\$ 646	\$ 434
IT Projects	49	49	-
Facilities Repair & Improvements	873	1,781	909
Revenue Vehicle Replacement	7,229	7,092	(137)
Revenue Vehicle Electrification Projects	226	1,181	955
Non-Revenue Vehicle Replacement	100	250	150
Fleet & Maintenance Equipment	48	128	79
Misc.	133	423	290
Total \$	8,870	\$ 11,550	\$ 2,680

Variance of estimated full year spend vs budget is primarily due to timing or cancellation of projects:

- ✓ Delayed until FY23 - \$1,635K
 - ✓ Metro owned ParaCruz facility - \$455K
 - ✓ 7 ParaCruz vans - \$605K
 - ✓ AVL/ITS system - \$575K
- ✓ Project Canceled
 - ✓ Driver Barriers - \$526K

- *Pre-close financials, subject to adjustments post close*
- *Revised Budget approved by BoD in January 2022*

Questions?