



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

OCTOBER 13, 2023 – 8:00 AM

HYBRID MEETING

Members of the public may attend in-person or participate remotely via Zoom.

**METRO Admin Office
110 Vernon Street
Santa Cruz, CA 95060**

**Zoom [Link](#)
Dial In: 1-669-900-9128
Meeting ID: 867 1074 0845**

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 Office at 110 Vernon Street, Santa Cruz.

Public comment may be submitted via email to boardinquiries@scmttd.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. Each public comment is limited to three minutes or less. Board and Committee Chairs have the discretion to manage the public comment process in a manner that achieves the purpose of public communication and assures the orderly conduct of the meeting.

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	City of Santa Cruz
Director Manu Koenig	County of Santa Cruz
Director Donna Lind	City of Scotts Valley
Director Mike Rotkin	County of Santa Cruz
Michael Tree	METRO CEO/General Manager
Julie Sherman	METRO General Counsel

SECTION I: OPEN SESSION

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 general public to address any item not on the agenda, which is within the subject matter jurisdiction of the Board. No action or discussion shall be taken on any item presented except that any Director may respond to statements made or questions asked, or may ask questions for clarification. All matters of an administrative nature will be referred to staff. Each public comment is limited to three minutes or less. Board and Committee Chairs have the discretion to manage the public comment process in a manner that achieves the purpose of public communication and assures the orderly conduct of the meeting. When addressing the Board, the individual may, but is not required to, provide his/her name and address in an audible tone for the record.

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

5 YEAR TO DATE MONTHLY FINANCIAL REPORT AS OF SEPTEMBER 30, 2023
Chuck Farmer, CFO

6 FY24 BUDGET AND 5 YEAR PLAN UPDATE AS OF OCTOBER 13, 2023
Chuck Farmer, CFO

7 ADJOURNMENT

ACCESSIBILITY FOR INDIVIDUALS WITH DISABILITIES

This document has been created with accessibility in mind. With the exception of certain third 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 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 for the official record, please include it in your email. Comments that require a response may be deferred for staff reply.

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.scmtd.com subject to staff's ability to post the document before the meeting.

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Year to Date Monthly Financial Report as of September 30, 2023

Finance, Budget & Audit Standing Committee

October 13, 2023

Chuck Farmer, Chief Financial Officer

September 2023 Key Financial Highlights

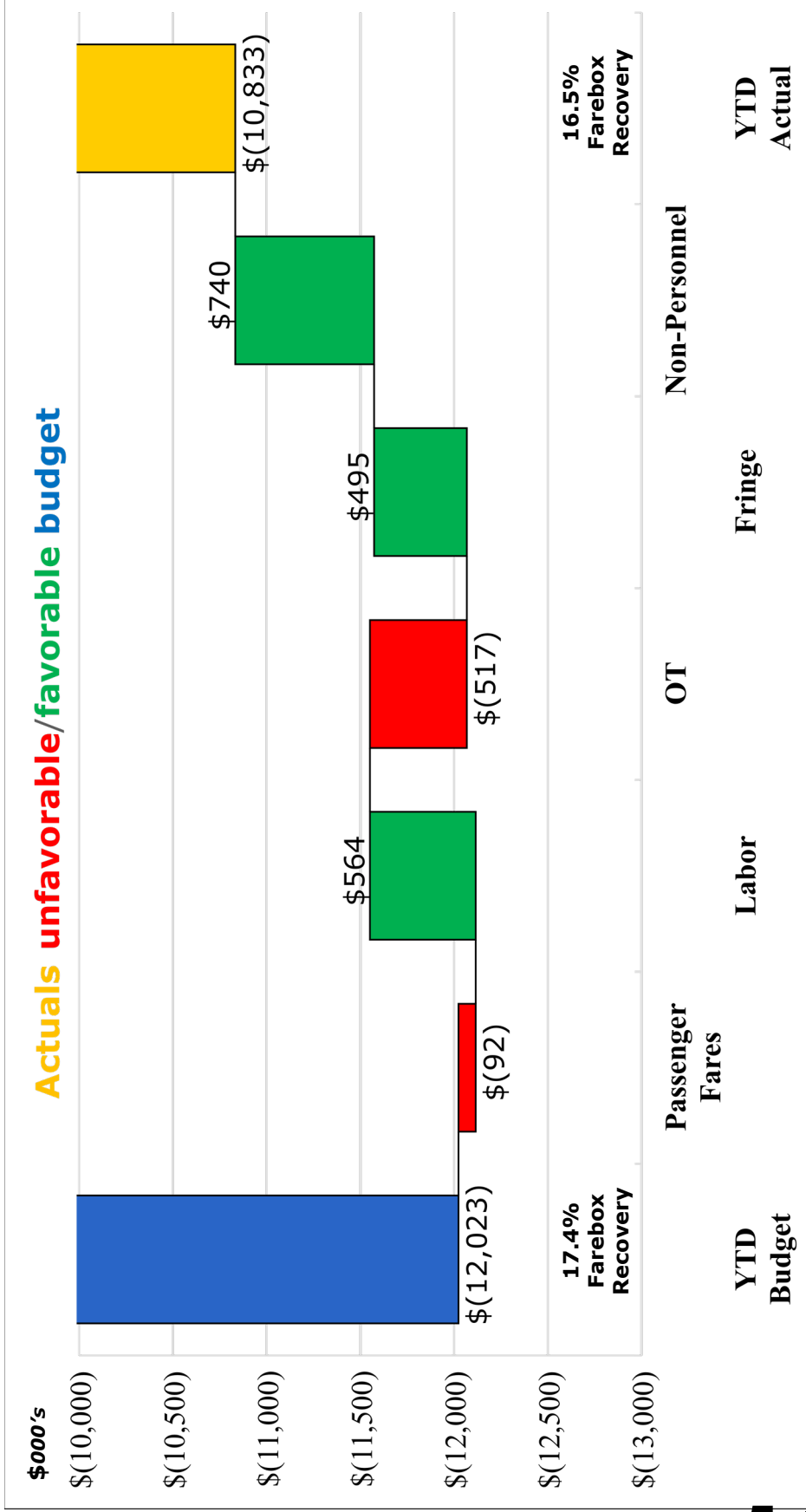
<h2>Service</h2>	<ul style="list-style-type: none">• Fixed Route (including Hwy 17) Cost per Revenue Service Hour is \$XXX vs Budget of \$393<ul style="list-style-type: none">• XX canceled trips –• ParaCruz Cost per Trip is \$XX vs Budget of \$92• Non-Student/Hwy 17 Passengers is XXX vs Budget of 172,200• Youth Cruz Free – XXXX boardings
<h2>Financials</h2>	<ul style="list-style-type: none">• Total Operating Surplus/(Deficit) is favorable \$0.3M driven by higher Operating Revenues of \$0.1M due to timing of Special Transit Fares payments along with lower wages of \$0.2M, fringe of \$0.2M; partially offset by higher OT of \$0.2M and non-personnel of \$0.1M• Non-Operating Revenues of \$7.4M are \$0.2M unfavorable vs budget of \$7.26M driven primarily by higher than anticipated interest income
<h2>Capital</h2>	<ul style="list-style-type: none">• Capital spending of \$152K is behind budget of \$354K primarily due to delay in purchase of Trailer Mounted Washer
<h2>Personnel</h2>	<ul style="list-style-type: none">• XX Active Personnel vs 331* Funded Personnel• XX Vacancies at end of September, XX related to Paratransit and Bus Operators

September 2023, YTD Pre-Close Financials

September YTD FY24 Operating Surplus/(Deficit)

Actual* vs. Budget

Overall \$0.5M favorable



September 30, 2023

YTD Operating Revenue and Expenses

\$ 000's	Actual*	Budget	Fav / (Unfav)
Operating Revenue			
Passenger Fares	\$ 694	\$ 800	(\$ 106)
Special Transit Fares	1,584	1,570	15
Total Operating Revenue	\$ 2,278	\$ 2,370	(\$ 92)
Operating Expense			
Labor - Regular	\$ 4,501	\$ 5,065	\$ 564
Labor - OT	782	265	(517)
Fringe	4,740	5,235	495
Non-Personnel (<i>excludes COVID costs</i>)	3,087	3,828	740
Total OpEx	\$ 13,110	\$ 14,392	\$ 1,282
Operating Surplus/(Deficit)	(\$ 10,832)	(\$ 12,023)	\$ 1,191
	<i>17.4%</i>	<i>16.5%</i>	<i>0.9%</i>
	<i>Farebox Recovery</i>		
Non-Operating Revenue/(Expense)			
Sales Tax/including Measure D	\$ 8,347	\$ 8,015	\$ 332
Federal/State Grants	2,228	2,228	(0)
COVID Relief Grants	2,490	2,490	-
Pension UAL/Bond Interest Payment	(359)	(359)	-
All Other	619	267	352
Total Non-Operating Revenue/(Expense)	\$ 13,324	\$ 12,641	\$ 683
Operating Surplus/(Deficit) before Transfers	\$ 2,492	\$ 618	\$ 1,874
Transfers and Other			
Transfers to Bus Replacement Fund	(\$ 679)	(\$ 675)	(\$ 3)
Operating Surplus/(Deficit) after Transfers	\$ 1,814	(\$ 57)	\$ 1,871

- \$0.5M Operating Surplus driven by vacant/funded positions; partially offset by increased OT
- Sales tax of \$8.3M is 4.1% higher than budget
- Bus Replacement Fund higher than budget by \$0.1M

* Pre-close financials, subject to adjustments post close

Year End June 2024, Forecast Financials

June 30, 2024

Full Year Operating Revenue and Expenses*

	Forecast*	Budget	Fav / (Unfav)
\$ 000's			
Operating Revenue			
Passenger Fares	\$ 2,793	\$ 3,080	(\$ 287)
Special Transit Fares	6,110	6,095	15
Total Operating Revenue	\$ 8,902	\$ 9,175	(\$ 273)
Operating Expense			
Labor - Regular	\$ 18,163	\$ 20,220	\$ 2,058
Labor - OT	3,134	1,171	(1,963)
Fringe	21,133	21,813	680
Non-Personnel (excludes COVID costs)	18,266	17,706	(560)
Total OpEx	\$ 60,696	\$ 60,911	\$ 215
Operating Surplus/(Deficit)	(\$ 51,794)	(\$ 51,736)	(\$ 58)
<i>Farebox Recovery</i>	<i>14.7%</i>	<i>15.1%</i>	<i>(0.4%)</i>
Non-Operating Revenue/(Expense)			
Sales Tax/including Measure D	\$ 33,023	\$ 31,808	\$ 1,215
Federal/State Grants	20,415	20,415	(0)
COVID Relief Grants	9,959	9,959	-
Pension UAL/Bond Interest Payment	(4,173)	(4,173)	-
All Other	2,565	1,240	1,326
Total Non-Operating Revenue/(Expense)	\$ 61,790	\$ 59,250	\$ 2,541
Operating Surplus/(Deficit) before Transfers	\$ 9,997	\$ 7,514	\$ 2,483
Transfers and Other			
Transfers to Bus Replacement Fund	(\$ 2,641)	(\$ 2,350)	(\$ 291)
Transfers to Capital, UAL/OPEB Funds, and Reserves Replenishment	(\$ 7,626)	(\$ 7,626)	-
Transfers (to) / from COVID Reserve Fund	\$ 270	\$ 2,462	(\$ 2,191)
Operating Surplus/(Deficit) after Transfers	-	\$ 0	(\$ 0)

- Revenues favorable due to higher Sales Tax revenues, and Interest Income
- Expenses unfavorable due to higher OT costs as a result of unfilled vacancies and increased spending Reimagine Metro campaign; partially offset by lower labor/fringe costs as a result of vacant positions
- Bus Replacement Fund favorable due to net Measure D sales tax revenues of \$0.3M (less average of five Bus Operators' compensation)
- All Other Transfers: \$2M UAL-, \$4.0M Operations/Capital Reserves, \$1.3M Operations Sustainability Reserve, and \$0.3M from COVID Recovery

Full Year FY24 Operating Revenue Surplus/(Deficit)

Overall \$0.06M favorable



Capital Spending & Project Completion

September 30, 2023 Capital Budget Spend

Project Category:	Month to Date		Year to Date		Full Year	
	Actuals*	Budget	Actuals*	Budget	Budget**	% Spend
Construction Related Projects	\$ -	\$ 15	\$ 101	\$ 45	\$ 12,416	0.8%
IT Projects	97	95	310	295	2,744	11.3%
Facilities Repair & Improvements	30	85	74	85	2,710	2.7%
Revenue Vehicle Replacement	23	23	97	70	2,533	3.8%
Revenue Vehicle Electrification Projects	-	-	26	-	231	11.3%
Non-Revenue Vehicle Replacement	-	-	23	-	-	0.0%
Fleet & Maintenance Equipment	-	-	171	-	-	0.0%
Misc.	2	136	12	136	727	1.7%
Total \$	152	\$ 354	\$ 814	\$ 631	\$ 21,361	3.8%

YTD spending of \$814K is higher than budget of \$631K primarily due to work on the Pacific Station project starting sooner than anticipated and the Parts Washer that was delayed from FY23

5.10

Appendix

September 30, 2023

Monthly Operating Revenue and Expenses

	Actual*	Budget	Fav / (Unfav)
\$ 000's			
Operating Revenue			
Passenger Fares	\$ 237	\$ 310	(\$ 73)
Special Transit Fares	662	457	205
Total Operating Revenue	\$ 899	\$ 767	\$ 132
Operating Expense			
Labor - Regular	\$ 1,501	\$ 1,683	\$ 182
Labor - OT	261	98	(162)
Fringe	1,528	1,742	214
Non-Personnel (<i>excludes COVID costs</i>)	998	1,151	153
Total OpEx	\$ 4,288	\$ 4,675	\$ 387
Operating Surplus/(Deficit)	(\$ 3,389)	(\$ 3,908)	\$ 519
<i>Farebox Recovery</i>	<i>21.0%</i>	<i>16.4%</i>	<i>4.6%</i>
Non-Operating Revenue/(Expense)			
Sales Tax/including Measure D	\$ 2,601	\$ 2,561	\$ 40
Federal/State Grants	2,228	2,228	(0)
COVID Relief Grants	2,490	2,490	-
Pension UAL/Bond Interest Payment	(119)	(119)	-
All Other	212	101	111
Total Non-Operating Revenue/(Expense)	\$ 7,412	\$ 7,261	\$ 151
Operating Surplus/(Deficit) before Transfers	\$ 4,023	\$ 3,353	\$ 670
Transfers and Other			
Transfers to Bus Replacement Fund	(\$ 189)	(\$ 186)	(\$ 3)
Operating Surplus/(Deficit) after Transfers	\$ 3,834	\$ 3,168	\$ 667

5.12

* Pre-close financials, subject to adjustments post close