



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)  
FINANCE, BUDGET, AND AUDIT STANDING COMMITTEE  
MEETING MINUTES\*  
JUNE 14, 2024 – 8:00 AM**

A regular meeting of the Finance, Budget, and Audit Standing Committee of the Santa Cruz Metropolitan Transit District (METRO) was convened on Friday, June 14, 2024.

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 CALLED TO ORDER** by Director Rotkin at 8:00 AM.

**2 SAFETY ANNOUNCEMENT**

Gregory Strecker, Safety, Security & Risk Management Director, provided a debriefing on safety, emphasizing METRO’s response to a fire, earthquake and/or medical emergency, evacuation routes, and an active shooter situation.

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

**Director Shebreh Kalantari-Johnson**  
**Director Manu Koenig** *AR 8:02*  
**Director Donna Lind**  
**Director Mike Rotkin**

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

Corey Aldridge  
Julie Sherman

METRO CEO/General Manager  
METRO General Counsel

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

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

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

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

**6 YEAR TO DATE MONTHLY FINANCIAL REPORT AS OF MAY 31, 2024**

Chuck Farmer, CFO, spoke to the presentation. He provided an overview of the May 2024 financial results highlighting the factors that are affecting operating revenues/expenses. He also provided a brief summary of the capital budget spends.

There were no public comments.

Hearing nothing further, Director Rotkin moved to the next agenda item.

## **7 ADOPTION OF THE FINAL FY25 AND FY26 BUDGET**

Chuck Farmer, CFO, spoke to the presentation and recommended adoption of the FY25 and FY26 budget to the full Board of Directors. He focused on the changes that have taken place since the May 17, 2024 Board of Directors' Meeting. He reviewed the impacts of Reimagine METRO Phase 1 and 2 and zero fares. He also covered the operating reserves and the funding source changes to the capital budget portfolio.

Discussion continued on:

- Possible impacts of sales tax measures from other jurisdictions appearing on November 2024 ballot.
- Budget adjustments, if needed, and that timeline.

Staff responded to all concerns.

The Directors thanked CFO Farmer and his team for their hard work.

There were no public comments.

Director Rotkin called for a roll call vote.

**MOTION: RECOMMEND ADOPTION OF THE FINAL FY25 AND FY26 BUDGET TO THE FULL BOARD AS PRESENTED**

**MOTION: DIRECTOR KALANTARI-JOHNSON      SECOND: DIRECTOR KOENIG**

**Motion passed with 4 AYES (Directors Kalantari-Johnson, Koenig, Lind and Rotkin).**

## **8 FY25 BUDGET SCENARIOS**

Chuck Farmer, CFO, spoke to the presentation. He reviewed the assumptions made for revenue and expenses and the adjustments made to the new budget. He described each scenario, highlighting the effect of a sales tax measure if passed and how the cash depletion timeline is affected in each case.

Discussion followed on:

- Cash depletion timelines
- Zero fares' impacts
- Continuation of Reimagine METRO Phase 1 and 2
- Implementation of zero fares in Scenario 3 and the various costs associated with that implementation
- Timing of a sales tax measure – primary vs. general election

Staff addressed all concerns. CEO Aldridge added that METRO has flexibility on when and how long zero fares are offered and implemented.

## **9 ADJOURNMENT**

Director Rotkin adjourned the meeting at 8:42 AM.

Respectfully submitted,

Donna Bauer  
Executive Assistant