



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)
FINANCE, BUDGET AND AUDIT STANDING COMMITTEE AGENDA
REGULAR MEETING
JANUARY 11, 2019 – 8:00AM
METRO ADMIN OFFICES
110 VERNON STREET
SANTA CRUZ, CA 95060**

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 offices at 110 Vernon Street, Santa Cruz, California.

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Committee recommendations are subject to action and/or change by the Board of Directors.

COMMITTEE ROSTER

Director Trina Coffman-Gomez	City of Watsonville
Director John Leopold	County of Santa Cruz
Director Donna Lind	City of Scotts Valley
Director Cynthia Mathews	City of Santa Cruz
Director Mike Rotkin	County of Santa Cruz
Alex Clifford	METRO CEO/General Manager
Julie Sherman	METRO District Counsel

AMERICANS WITH DISABILITIES ACT

METRO does not discriminate on the basis of disability. Any person who requires an accommodation or an auxiliary aid or service to participate in the meeting, or to access the agenda and the agenda packet, should contact the Executive Assistant, at 831-426-6080 as soon as possible in advance of the Committee meeting. Hearing impaired individuals should call 711 for assistance in contacting Santa Cruz METRO regarding special requirements to participate in the Committee meeting. For information regarding this agenda or interpretation services, please call Santa Cruz METRO at 831-426-6080.

MEETING TIME: 8:00AM

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, but which is within the matter jurisdiction of the Committee. Each member of the public appearing at a Committee meeting shall be limited to three minutes in his or her presentation, unless the Chair, at his or her discretion, permits further remarks to be made. Any person addressing the Committee may submit written statements, petitions or other documents to complement his or her presentation. When addressing the Committee, 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 FINANCIAL UPDATE

Angela Aitken, CFO

5A Year to Date Monthly Finance Report as of October 31, 2018

5B Capital Budget Status as of October 31, 2019

6 ADJOURNMENT

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.



Year to Date Monthly Financial Report as of October 31, 2018

Santa Cruz METRO Board of Directors

January 11, 2019

Angela Aitken, Chief Financial Officer

FY19 Operating Revenue and Expenses For the Month Ending October 31, 2018

33% of Fiscal Year Elapsed

\$ In Thousands	Actual	Budget	Budget to Actual Favorable/ (Unfavorable)
Operating Revenue:	\$4,074	\$2,566	\$1,508
Operating Expenses:			
Labor - Regular	\$1,423	\$1,431	\$8
Labor - Overtime	\$317	\$142	(\$175)
Fringe Benefits	\$1,622	\$1,778	\$156
Non-Personnel Expenses	\$1,068	\$783	(\$285)
Total Operating Expenses:	\$4,430	\$4,134	(\$296)
Transfers:	(\$301)	(\$155)	\$146
Operating Balance:	(\$657)	(\$1,724)	\$1,067

5A.2



FY19 Operating Revenue and Expenses

Year to Date as of October 31, 2018

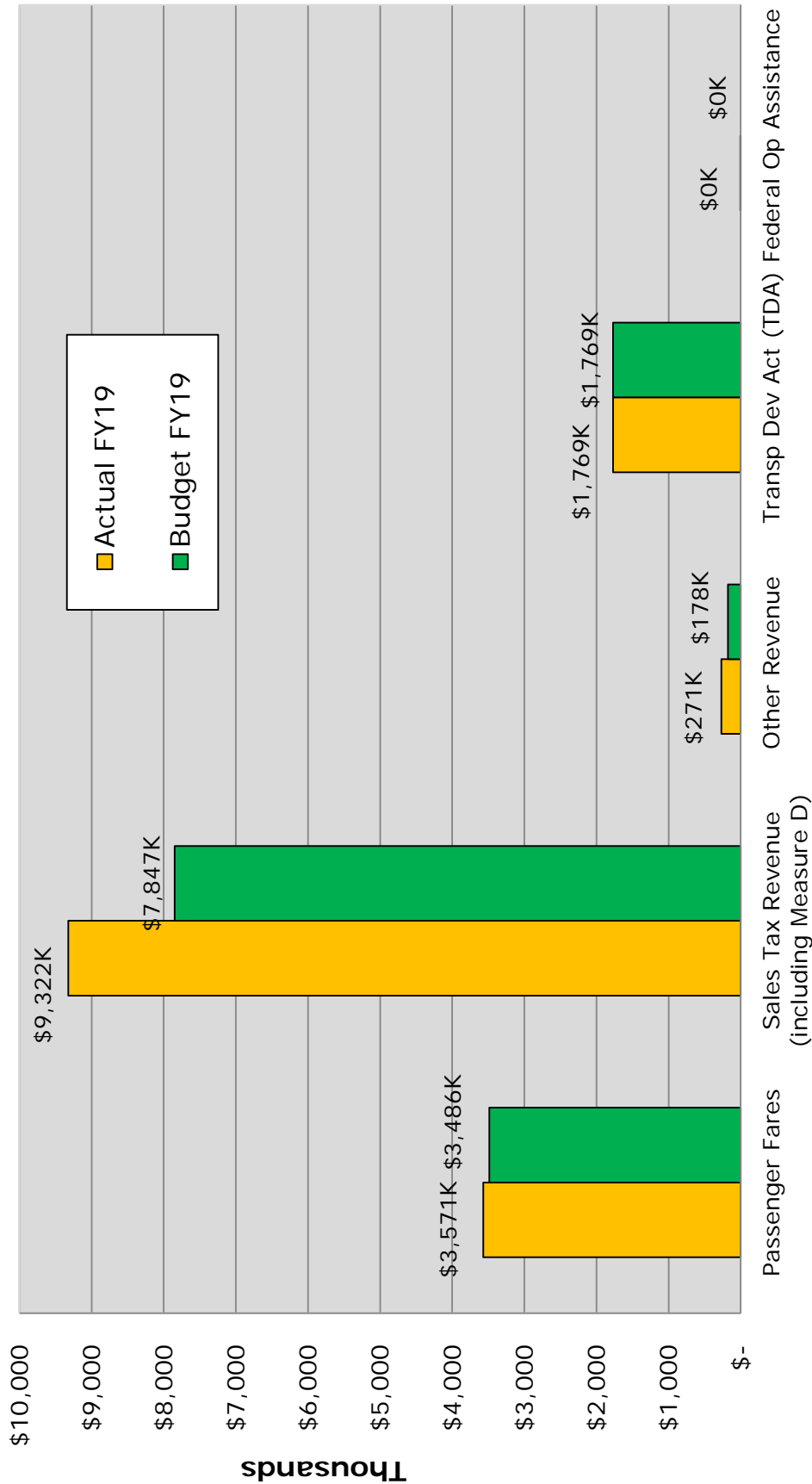
33% of Fiscal Year Elapsed

\$ In Thousands	Actual	Budget	Budget to Actual Favorable/ (Unfavorable)
Operating Revenue:	\$14,932	\$13,280	\$1,652
Operating Expenses:			
Labor - Regular	\$5,164	\$5,725	\$561
Labor - Overtime	\$975	\$568	(\$407)
Fringe Benefits	\$6,607	\$7,113	\$506
Non-Personnel Expenses	\$3,186	\$3,191	\$5
Total Operating Expenses:	\$15,931	\$16,598	\$666
Transfers:	(\$776)	(\$620)	\$156
Operating Balance:	(\$1,776)	(\$3,938)	\$2,162

5A.3



FY19 Operating Revenue by Major Funding Source
Year to Date as of October 31, 2018
 33% of Fiscal Year Elapsed

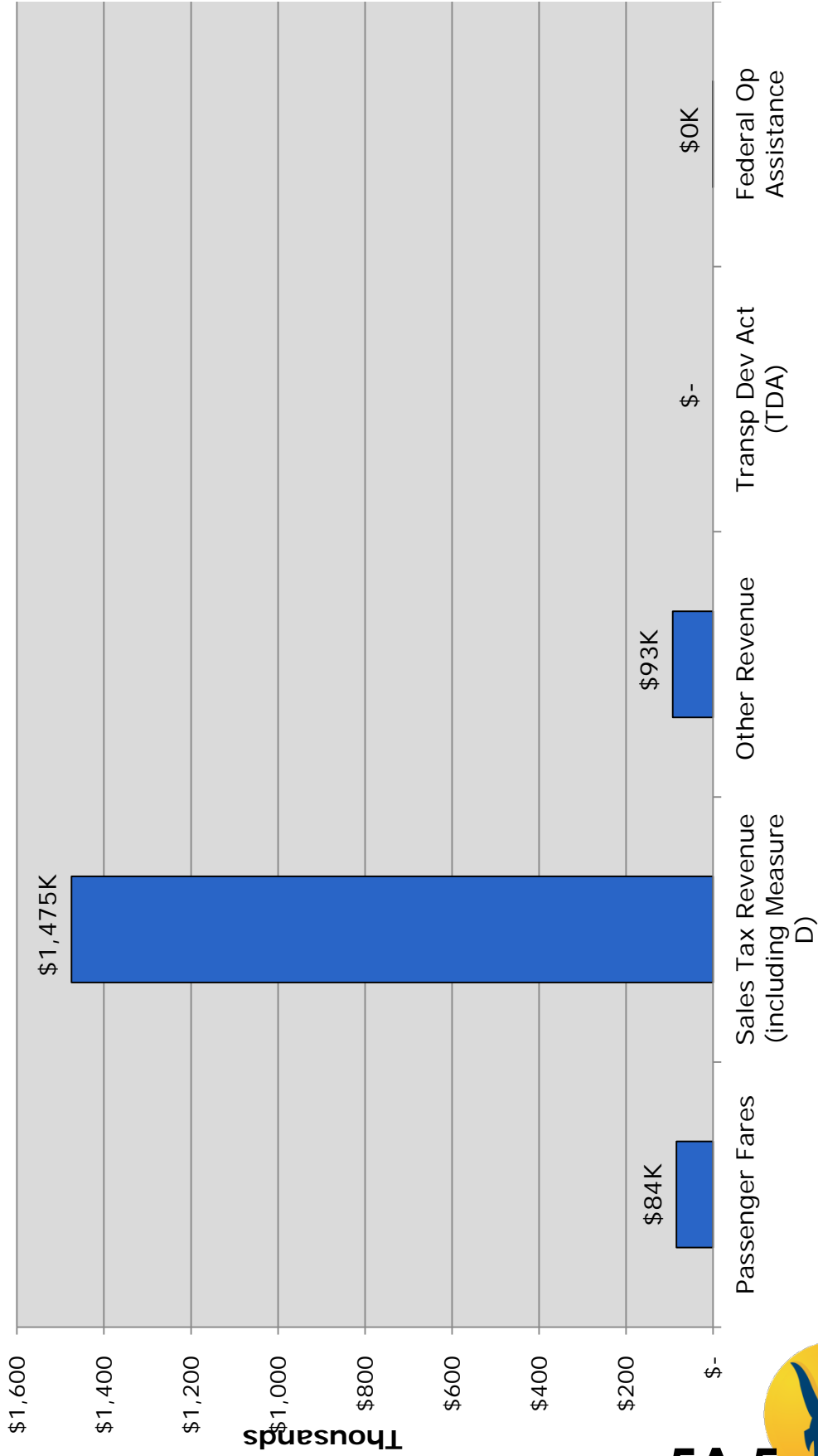


5A.4



Favorable/(Unfavorable) Revenue Variance to Budget Year to Date as of October 31, 2018

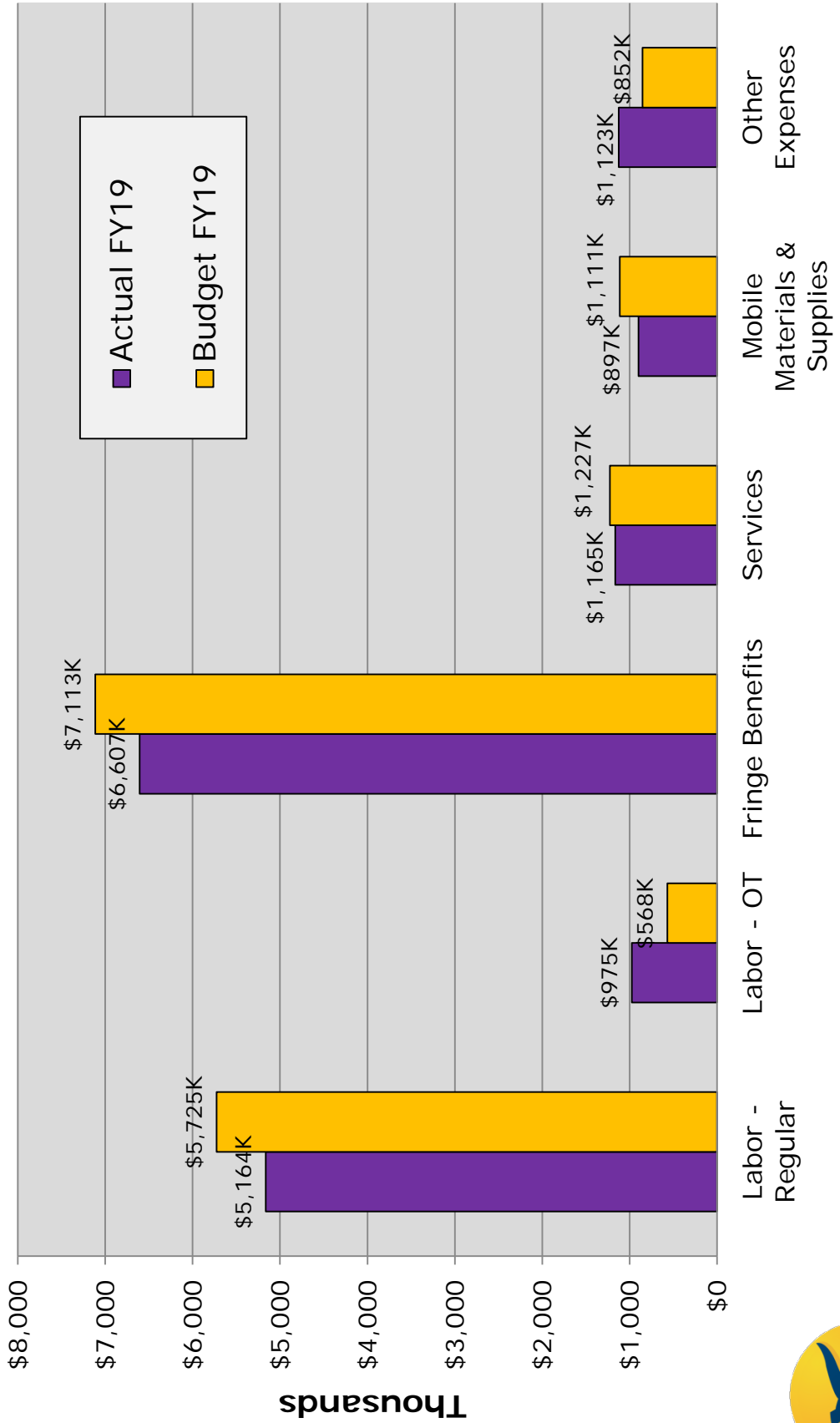
33% of Fiscal Year Elapsed



5A.5



FY19 Operating Expenses by Major Expense Category
Year to Date as of October 31, 2018
33% of Fiscal Year Elapsed

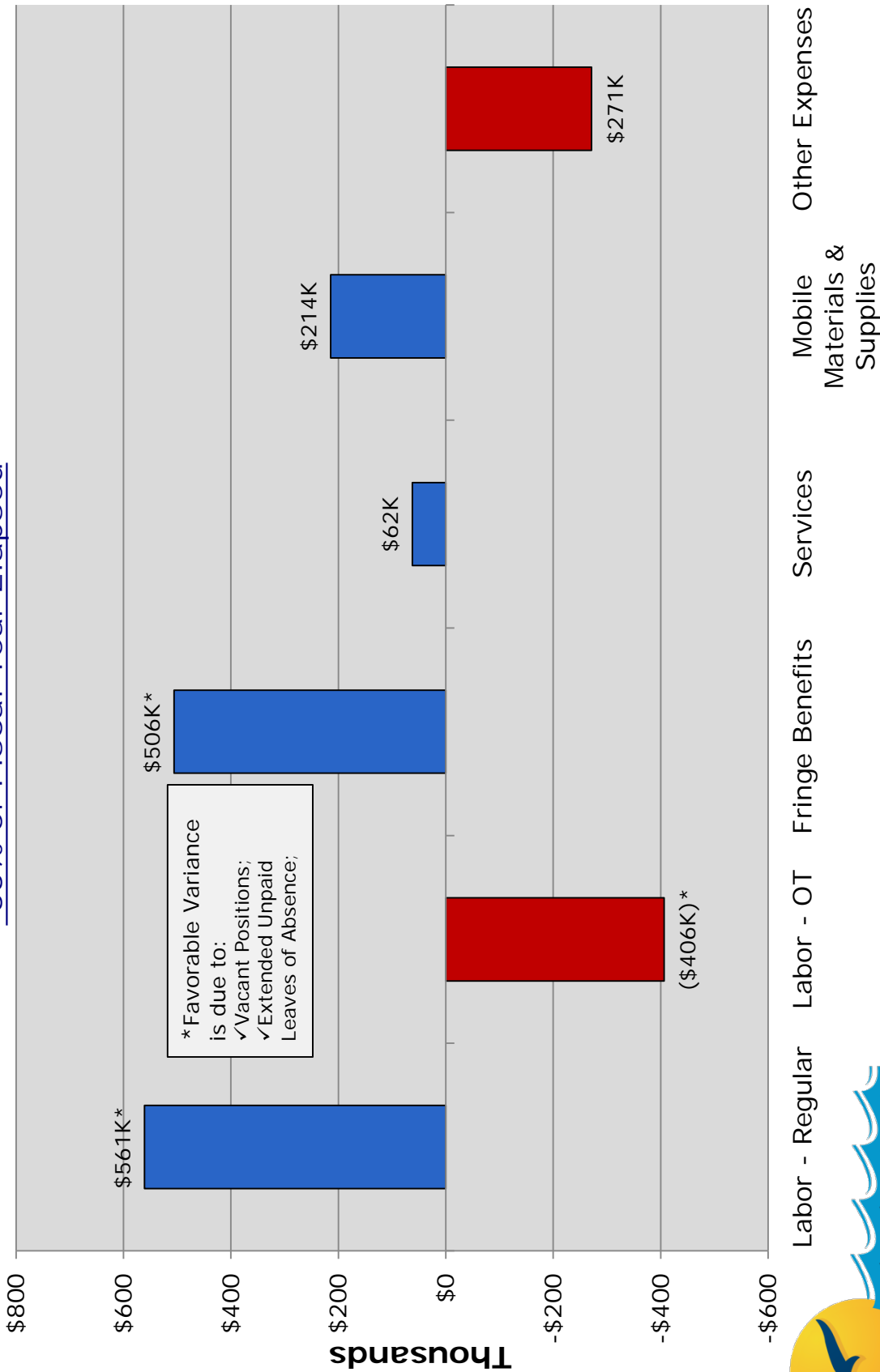


5A.6

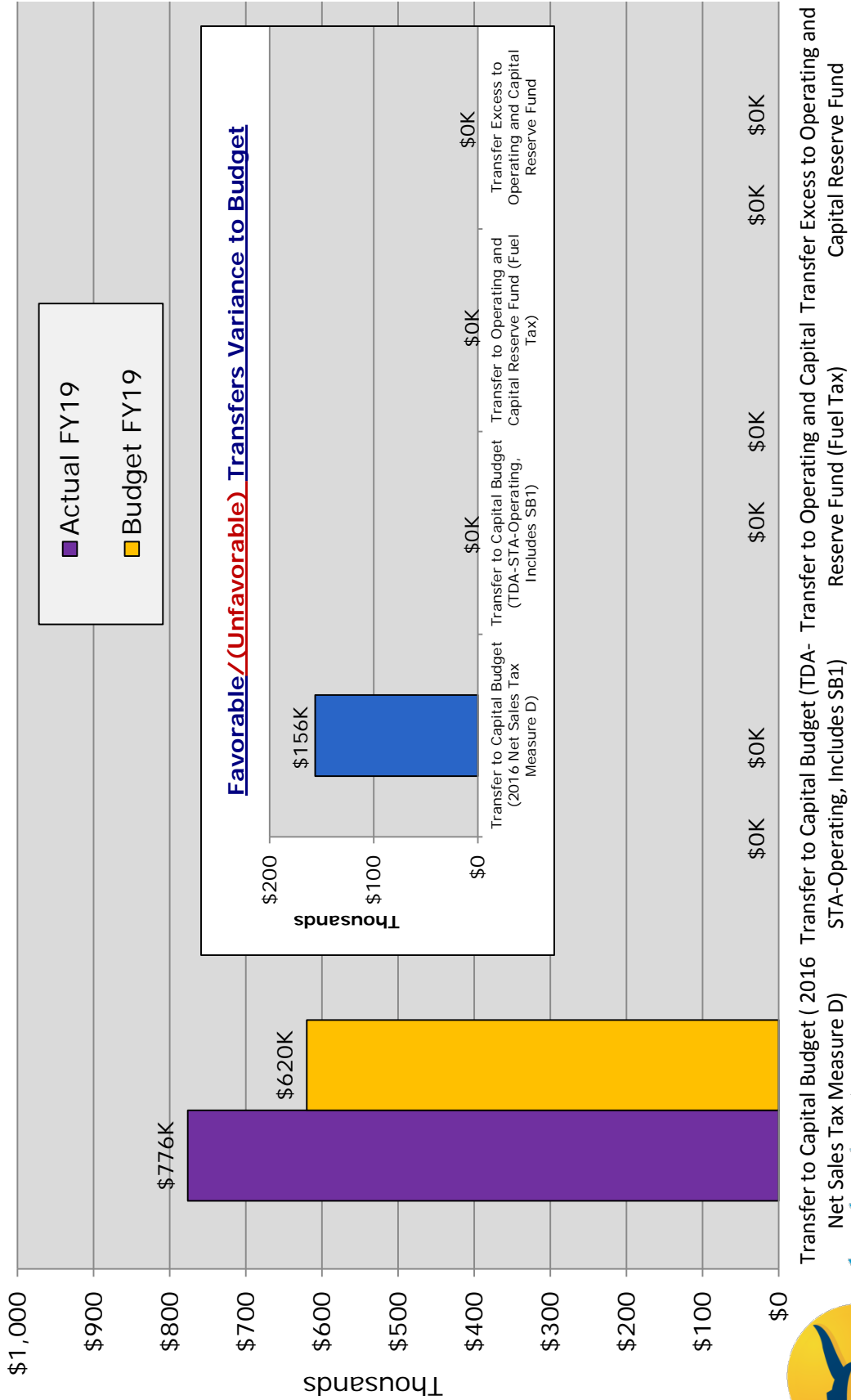


Favorable/(Unfavorable) Expense Variance to Budget
Year to Date as of October 31, 2018

33% of Fiscal Year Elapsed



FY19 Transfers
Year to Date as of October 31, 2018
33% of Fiscal Year Elapsed

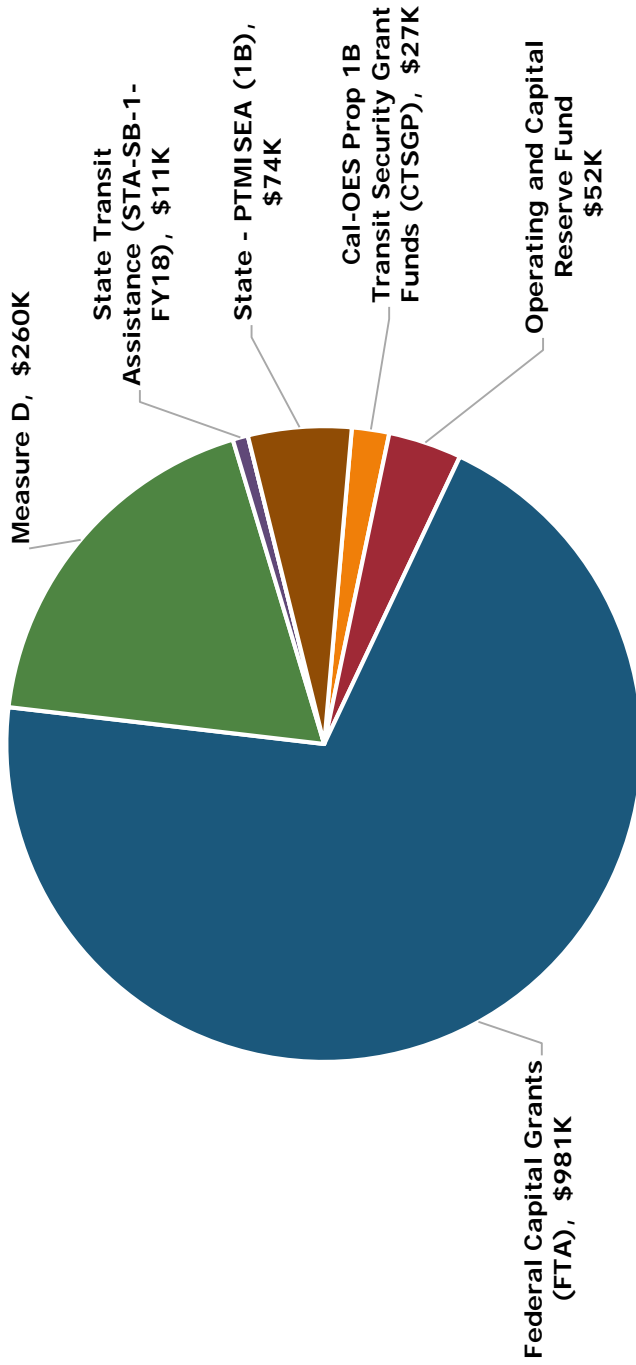


FY19 Capital Budget:

Spending Year to Date (by Funding Source) as of October 31, 2018

33% of Fiscal Year Elapsed

	Actual YTD	Total FY19 Budget	% Spent YTD
Total Capital Funding:	\$1,404,866	\$21,972,877	6%



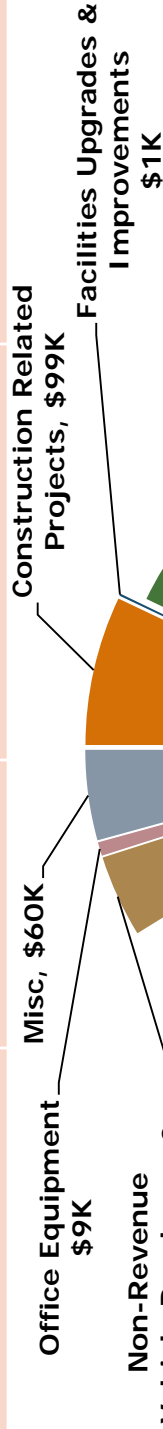
Actual YTD

FY19 Capital Budget:

Spending Year to Date as of October 31, 2018

33% of Fiscal Year Elapsed

	Actual YTD	Total FY18 Budget	% Spent YTD
Total Capital Projects:	\$1,404,866	\$21,972,877	6%



* See – FY19 Capital Budget Project Status Report for additional details

Revenue Veh Replacement & Campaigns, \$1,181K



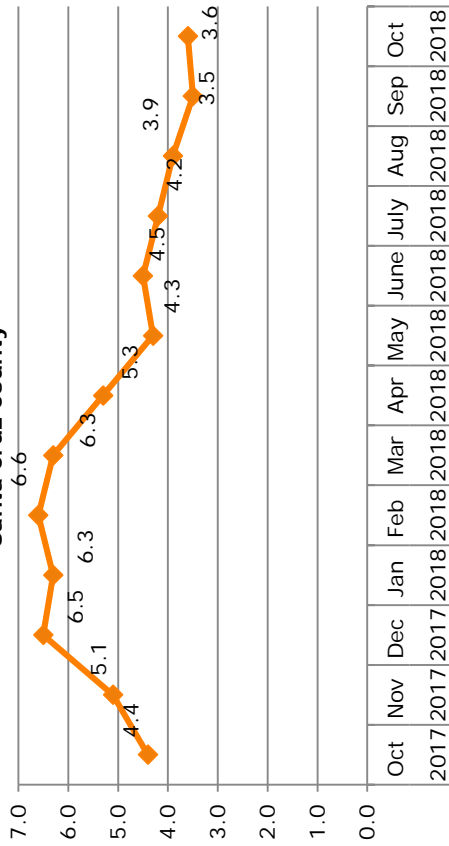
Additional Information

5A.11

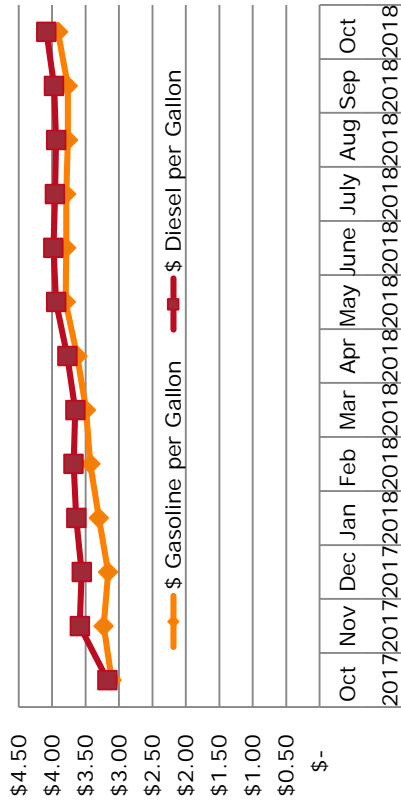


Economic Indicators:

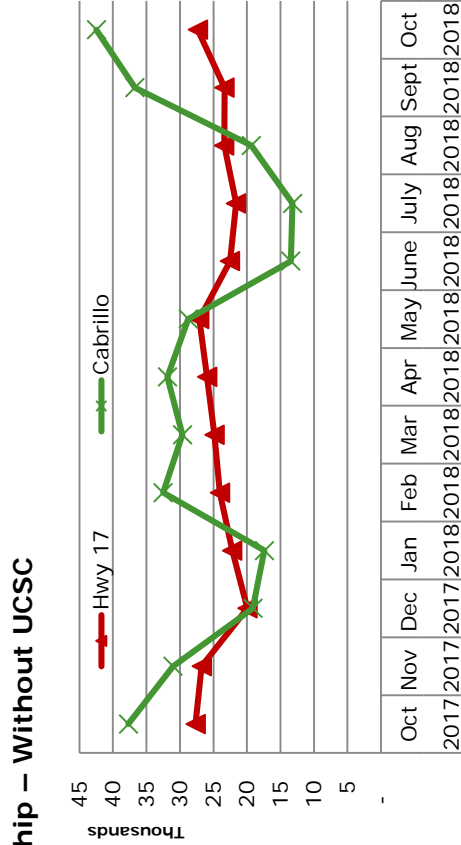
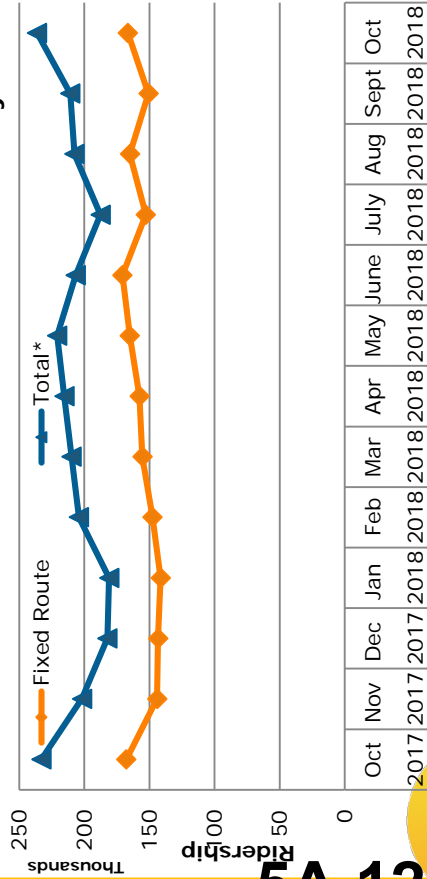
**Unemployment Rate %
Santa Cruz County**



**\$ Diesel/Gasoline per Gallon
San Francisco – Oakland – San Jose**



Monthly Ridership – Without UCSC



* Total = Fixed Route + Hwy 17 + Cabrillo Ridership



**FY19 Operating Revenue, Expenses, and Transfers:
 Year to Date as of December 31, 2018: PRELIMINARY:**

50% of Fiscal Year Elapsed

\$ In Thousands	Actual	Budget	Budget to Actual Favorable/ (Unfavorable)
Revenue:	\$23,332	\$22,469	\$863
Operating Expenses:			
Personnel Expenses	\$19,085	\$20,110	\$1,025
Non-Personnel Expenses	\$3,741	\$4,816	\$1,074
Total Operating Expenses:	\$22,826	\$24,926	\$2,100
Transfers:			
Transfers to Capital Budget	\$909	\$930	(\$21)
Transfers to Operating and Capital Reserve Fund	\$0	\$0	\$0
Total Transfers:	\$909	\$930	(\$21)
Operating Balance:	(\$403)	(\$3,387)	\$2,984

The Current State of Our Budget:

Balanced on the head of a needle



The Current State of Our System

We need to leverage human and financial resources to ensure the organization's fiscal stability and overall strength for years to come.



Need 62 Buses Today

Federal Funding Authorization

Long Term Financial Sustainability

Aging Fleet

Potential Recession

Frequency of Current Service

Extra Board Drivers

Additional Support Staff

Workers Comp

Unfunded Mandates

Union Negotiations

Customer Facing Technology

Reliable Service



Questions

Attachment B

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT												
FY19 REVISED CAPITAL BUDGET												
For JANUARY 25, 2019 Board Meeting												
Report Status - Spending as of October 31, 2018												
Updated: 12/26/2018												
		PM*	Total Fiscal Year Budget	Total Spent - Fiscal Year to Date	% Project Complete (1)	Start Date	New - Estimated Start Date	Estimated End Date of:	New - Estimated End Date	Project Status (2)	Source of Funds	Grant Expiration Date
Non-Revenue Vehicle Purchases & Replacements												
40	Propane Fueled Tow Motor (FTA 5339a FY14)	EB, CA	\$ 60,000	\$ 54,687	100%	4/1/2017		6/30/2018	8/31/2018	Tow Motor final invoice paid, acceptance signed 8/29/18	FTA, STA, RES	Award 8/14/17, 5 years to obligate
41	Replace Custodial Support Vehicles (2) (FTA5339a FY18)	EB, CA	\$ 30,000	\$ -	0%	1/10/2019				Project Kick-off meeting for 1/10/19	FTA	Award pending
	Subtotal		\$ 90,000	\$ 54,687								
Fleet & Maint Equipment												
42	Bus Yard Scrubber/Sweeper (FTA 5339a FY18)	FR, EB	\$ 75,000	\$ -	0%	1/4/2019				Project Kick-off meeting 1/4/19	FTA	Award pending
43	Floor Scrubbers for Maint. Shop (FTA 5339a FY18)	FR, EB	\$ 45,000	\$ -	0%	1/4/2019				Project Kick-off meeting 1/4/19	FTA	Award pending
	Subtotal		\$ 120,000	\$ -								
Office Equipment												
44	Business Copy Machine-Admin (FTA 5339a FY18)		\$ 20,000	\$ -						Business Copy Machine purchase is not allowed with FTA 5339a funds.		
45	4 Vertical FireKing File Cabinets-Admin		\$ 9,200	\$ 9,108	0%						CAPITAL RESERVES	N/A
	Subtotal		\$ 29,200	\$ 9,108								
Misc.												
46	TVM Pin Pad Bezel & Upgrade (6)		\$ 70,000	\$ 43,313								
47	C/S Call Center Furnishings (FTA 5339a FY18)	AA	\$ 19,000	\$ 16,650	95%					Furniture delivered and installed, payment in progress. Awaiting authorization from Sateway, and funds set aside to be used when needed	FTA	
48	Ticket Vending Machine-SLV-Installation Costs + Misc.	CA, AA	\$ 32,045	\$ -	0%		9/1/2018			Testing concluded on noise abatement, acoustic panels to be installed by 11/1/18. left over funds to be absorbed into Capital Reserves	STA	N/A
49	Misc. Emergency Capital Items \$1K to \$5K	EB, CA	\$ 10,000	\$ -	50%					Project being postponed, funds from Capital Reserve to be used instead of FTA 5339a	FTA	
50	Paracruz MDC Replacements (FTA 5339a FY18)	EB, CA	\$ 8,000	\$ -		1/2/2018				Elections have taken place, waiting Alex's guidance on how to proceed.	ARTS COUNCIL/CAP RES	N/A
51	Watsonville Transit Mural-(\$2,700 from Arts Council SC)	TH	\$ 6,600	\$ -	5%	12/20/2017		11/1/2018				
	Subtotal		\$ 145,645	\$ 59,963								
TOTAL CAPITAL PROJECTS			\$ 21,972,877	\$ 1,404,866								

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