

Structural Deficit Workshop Plan

Month	Topic
August 2014	<ul style="list-style-type: none"> • Definition of a Structural Deficit • Overview of Major Contributing Factors • Identify Structural Deficit • How Bad is the Structural Deficit... How Bad Can the Structural Deficit Get • Cash Flow • Revenue Discussion • Surface Transportation Plan • Grant Pipeline
September 2014	<ul style="list-style-type: none"> • What do we do if the PEPPA challenge does not get resolved and the FTA stops sending us money? • What do we do if MAP-21 is not reauthorized in time and the FTA stops sending 5307 to Santa Cruz METRO? • What do we do if the STA provision that allows us to use STA for Operating, does not get extended past 2016?
October 2014	<ul style="list-style-type: none"> • Discussion: Board philosophy on Targeted Farebox Recovery Ratio <ul style="list-style-type: none"> ○ Farebox Recovery 101 presentation ○ Bus Cost/Revenue Service Hour ○ Bus Cost/Trip and Subsidy/Trip ○ ParaCruz Cost/Revenue Service Hour ○ ParaCruz Cost/Trip & Subsidy/Trip ○ Farebox recovery by route type system wide (17, local, intercity,) ○ ParaCruz farebox recovery (directly operated, contracted) ○ Presentation of peer and other regional transit agencies' farebox recovery ratio ○ Presentation of peer agencies' and other agencies in the region fare structure, base fare, zones and other fare media
November 2014	<ul style="list-style-type: none"> • Discussion: Board philosophy on the targeted Reserves balance and use of Reserves • Discussion: Board philosophy on the use of "capital eligible" State and Federal funds (5307, STIC, STA, ?) • Discussion: Board philosophy on end of year favorable variance (carryover)

Define the Challenges



Review Performance Indicators & Peer Data



Board Feedback on their Philosophies on Various Topics

- December 2014**
- Operating unmet needs
 - Facilities deferred Maintenance
 - Presentation of “State of Good Repair” capital needs, funded and unfunded
 - 56 bus procurement
 - Price of CNG buses vs hydrogen fuels cell vs electric
 - Future phases of the MetroBase campus
 - Other unfunded capital needs (Unfunded Capital needs list)
 - Discussion: Increasing non-farebox revenues
 - Maximizing advertising dollars – Web Site, bus, bus shelter, Transit Centers, etc.
 - Commercial space rents
 - Fuel tax credit
 - Discussion about a possible sales tax initiative in 2016
 - RTC’s ½ cent version or go it alone?
 - RTC draft version looks like \$2.27M/year for 30 years to Santa Cruz METRO
 - Should it a tax initiative be used for capital, operating or flexible?
 - ¼ cent sales tax for Santa Cruz METRO would yield around \$7M/year
 - Presentation of cost reductions and efficiencies
 - Discussion: Board philosophy on Paratransit current service levels or strict interpretation of law
 - Door to door versus cub to curb

Unmet Needs & Other Revenue Sources



- January 2015**
- Presentation and discussion of scenarios for resolution to the structural deficit
 - Multi-year approach to resolve structural deficit
 - BOD Direction on scenarios for Public Workshops

- February 2015**
- Public input – Workshops on scenarios (5 workshops first 2 weeks of Feb)
 - Second meeting in Feb – BOD direction on Scenario(s) to be presented at a public hearing

- March 2015**
- Public hearing on Board Adopted Scenario(s)

- April 2015**
- Review public feedback from workshops and the public hearing
 - Receive Board direction on budget assumptions

- May 2015 (2nd Meeting)**
- Board presentation of draft budget

- June 2015 (2nd Meeting)**
- Final adoption of revised FY16 & new FY17 budget by the Santa Cruz METRO Board

Problem Solving Scenarios & Public Process



Board Direction & Budget Adoption

