



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)  
FINANCE, BUDGET AND AUDIT STANDING COMMITTEE AGENDA  
REGULAR MEETING  
FEBRUARY 8, 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](http://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**

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**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 MONTHLY FINANCIAL UPDATE**

Angela Aitken, CFO

**6 UPDATE ON FY20 BUDGET ASSUMPTIONS**

Angela Aitken, CFO

**7 CONSIDERATION OF RECOMMENDATION TO BOARD OF DIRECTORS TO FUND THE ASSISTANT SAFETY AND TRAINING COORDINATOR POSITION**

Ciro Aguirre, COO

**8 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](http://www.scmtd.com) subject to staff's ability to post the document before the meeting.



# **Year to Date Monthly Financial Report as of November 30, 2018**

Santa Cruz METRO Board of Directors

*February 8, 2019*

Angela Aitken, Chief Financial Officer

# FY19 Operating Revenue and Expenses For the Month Ending November 30, 2018

42% of Fiscal Year Elapsed

| \$ In Thousands                  | Actual           | Budget           | Budget to Actual Favorable/ (Unfavorable) |
|----------------------------------|------------------|------------------|---|
| <b>Operating Revenue:</b>        | <b>\$2,869</b>   | <b>\$3,250</b>   | <b>(\$381)</b>                            |
| <b>Operating Expenses:</b>       |                  |                  |   |
| Labor - Regular                  | \$1,295          | \$1,431          | \$136                                     |
| Labor - Overtime                 | \$303            | \$142            | (\$161)                                   |
| Fringe Benefits                  | \$1,777          | \$1,778          | \$1                                       |
| Non-Personnel Expenses           | \$423            | \$842            | \$419                                     |
| <b>Total Operating Expenses:</b> | <b>\$3,799</b>   | <b>\$4,194</b>   | <b>\$395</b>                              |
| <b>Transfers:</b>                | <b>(\$133)</b>   | <b>(\$155)</b>   | <b>(\$22)</b>                             |
| <b>Operating Balance:</b>        | <b>(\$1,063)</b> | <b>(\$1,099)</b> | <b>\$36</b>                               |

51-2



# FY19 Operating Revenue and Expenses

## Year to Date as of November 30, 2018

42% of Fiscal Year Elapsed

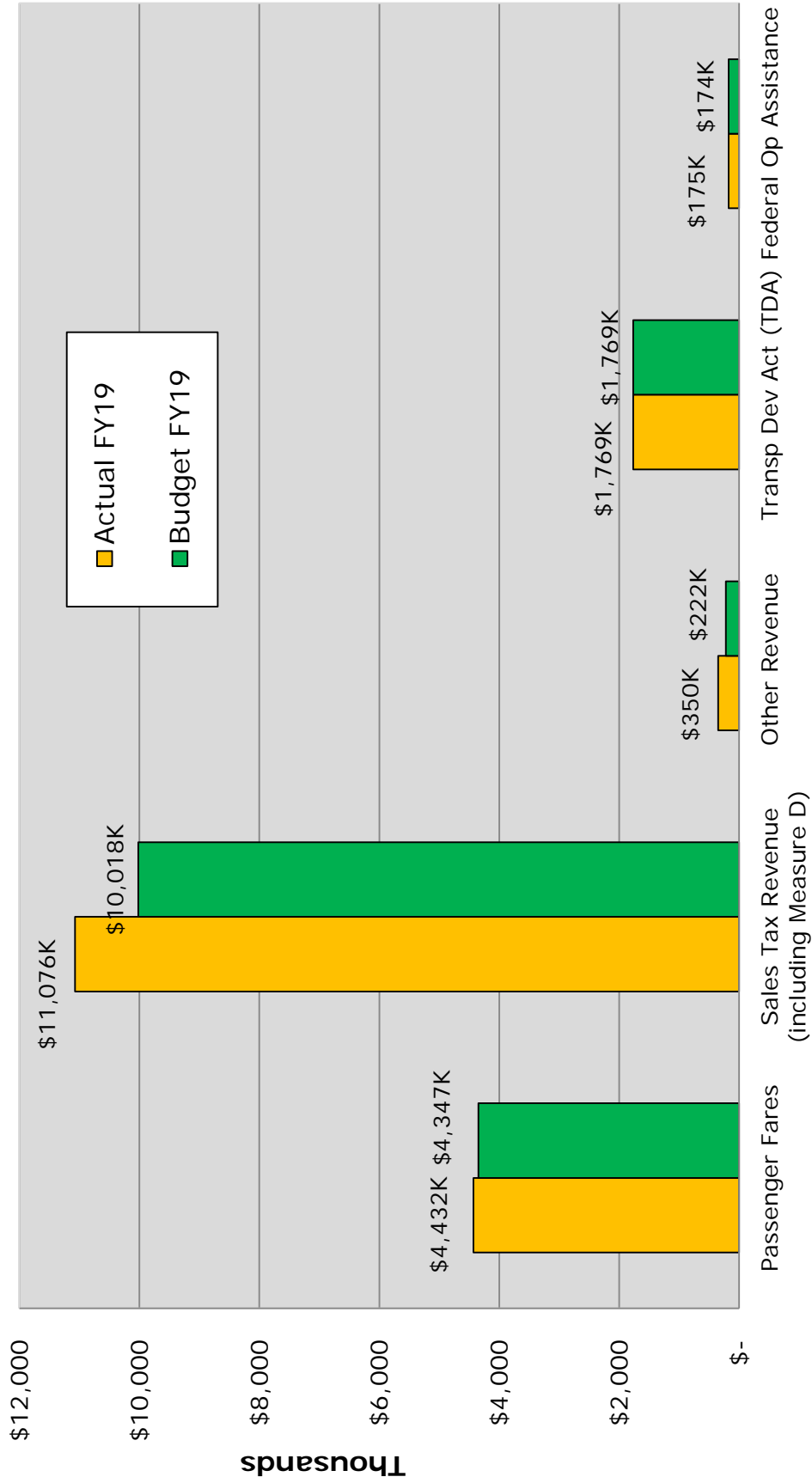
| \$ In Thousands                  | Actual           | Budget           | Budget to Actual Favorable/ (Unfavorable) |
|----------------------------------|------------------|------------------|---|
| <b>Operating Revenue:</b>        | <b>\$17,801</b>  | <b>\$16,530</b>  | <b>\$1,270</b>                            |
| <b>Operating Expenses:</b>       |                  |                  |   |
| Labor - Regular                  | \$6,459          | \$7,156          | \$697                                     |
| Labor - Overtime                 | \$1,278          | \$710            | (\$568)                                   |
| Fringe Benefits                  | \$8,385          | \$8,892          | \$507                                     |
| Non-Personnel Expenses           | \$3,609          | \$4,033          | \$424                                     |
| <b>Total Operating Expenses:</b> | <b>\$19,730</b>  | <b>\$20,792</b>  | <b>\$1,061</b>                            |
| <b>Transfers:</b>                | <b>(\$909)</b>   | <b>(\$775)</b>   | <b>\$134</b>                              |
| <b>Operating Balance:</b>        | <b>(\$2,839)</b> | <b>(\$5,037)</b> | <b>\$2,198</b>                            |

51-33



# FY19 Operating Revenue by Major Funding Source Year to Date as of November 30, 2018

42% of Fiscal Year Elapsed

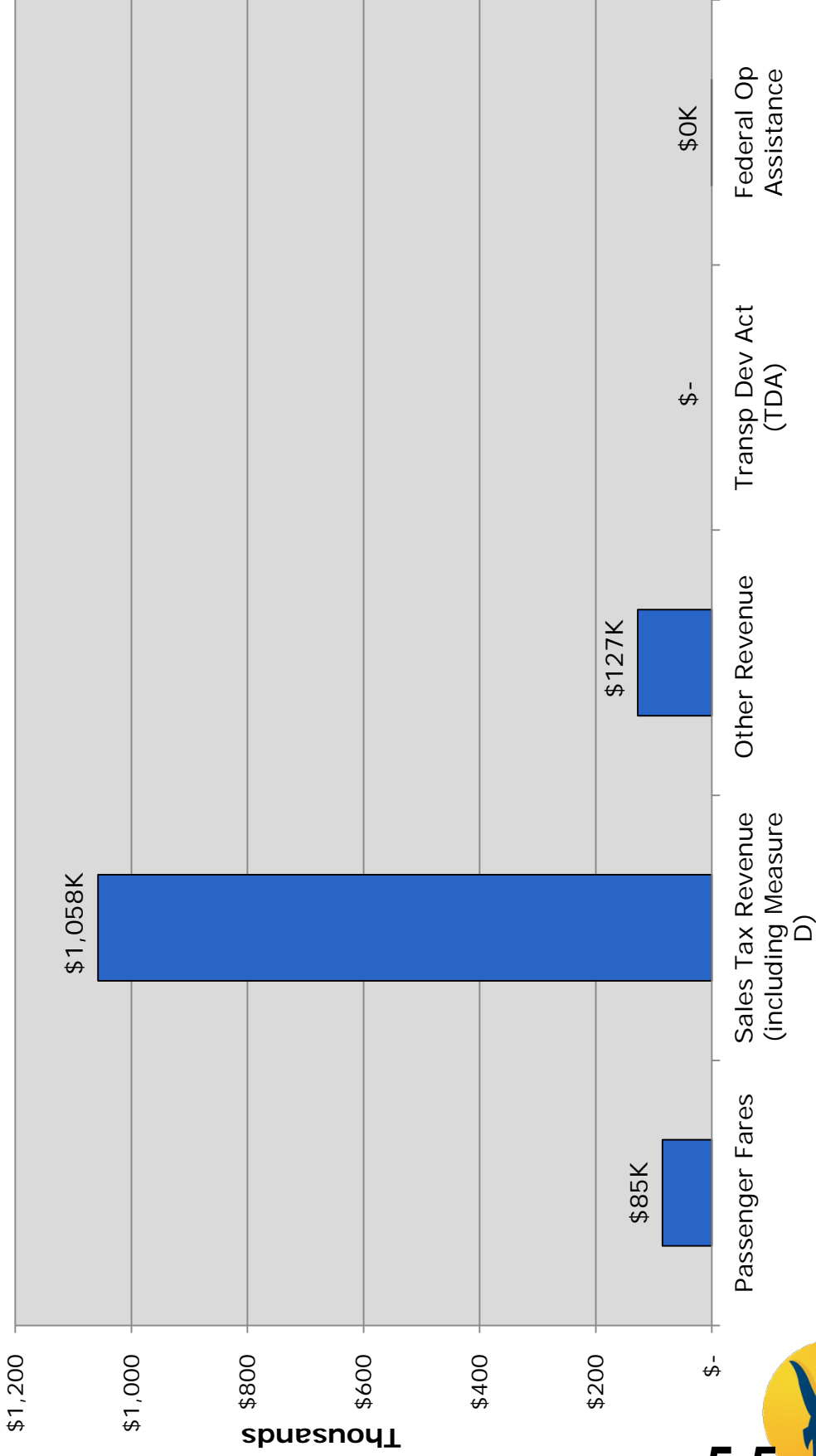


5.4



# Favorable/(Unfavorable) Revenue Variance to Budget Year to Date as of November 30, 2018

42% of Fiscal Year Elapsed

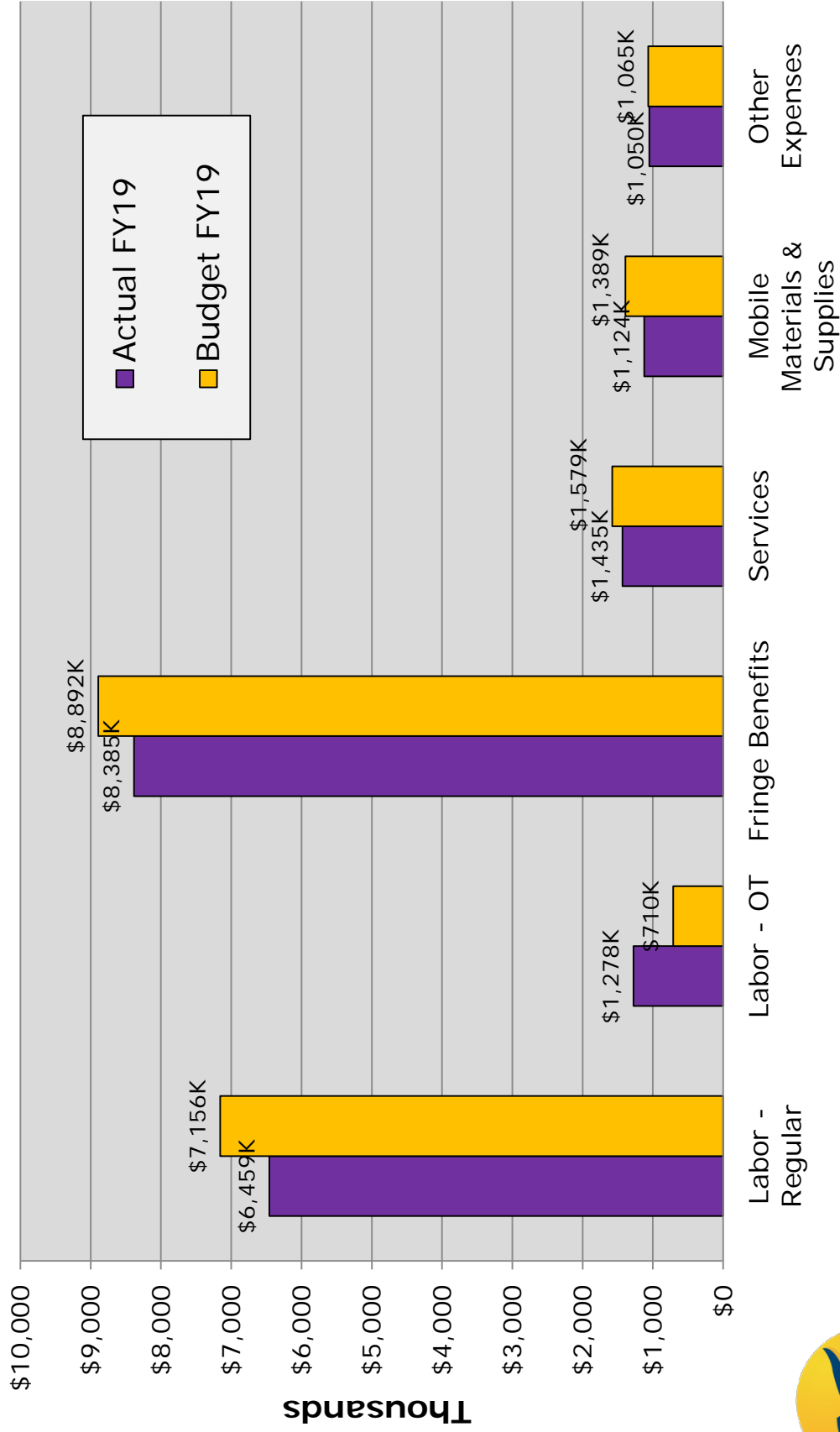


5.5



# FY19 Operating Expenses by Major Expense Category Year to Date as of November 30, 2018

42% of Fiscal Year Elapsed



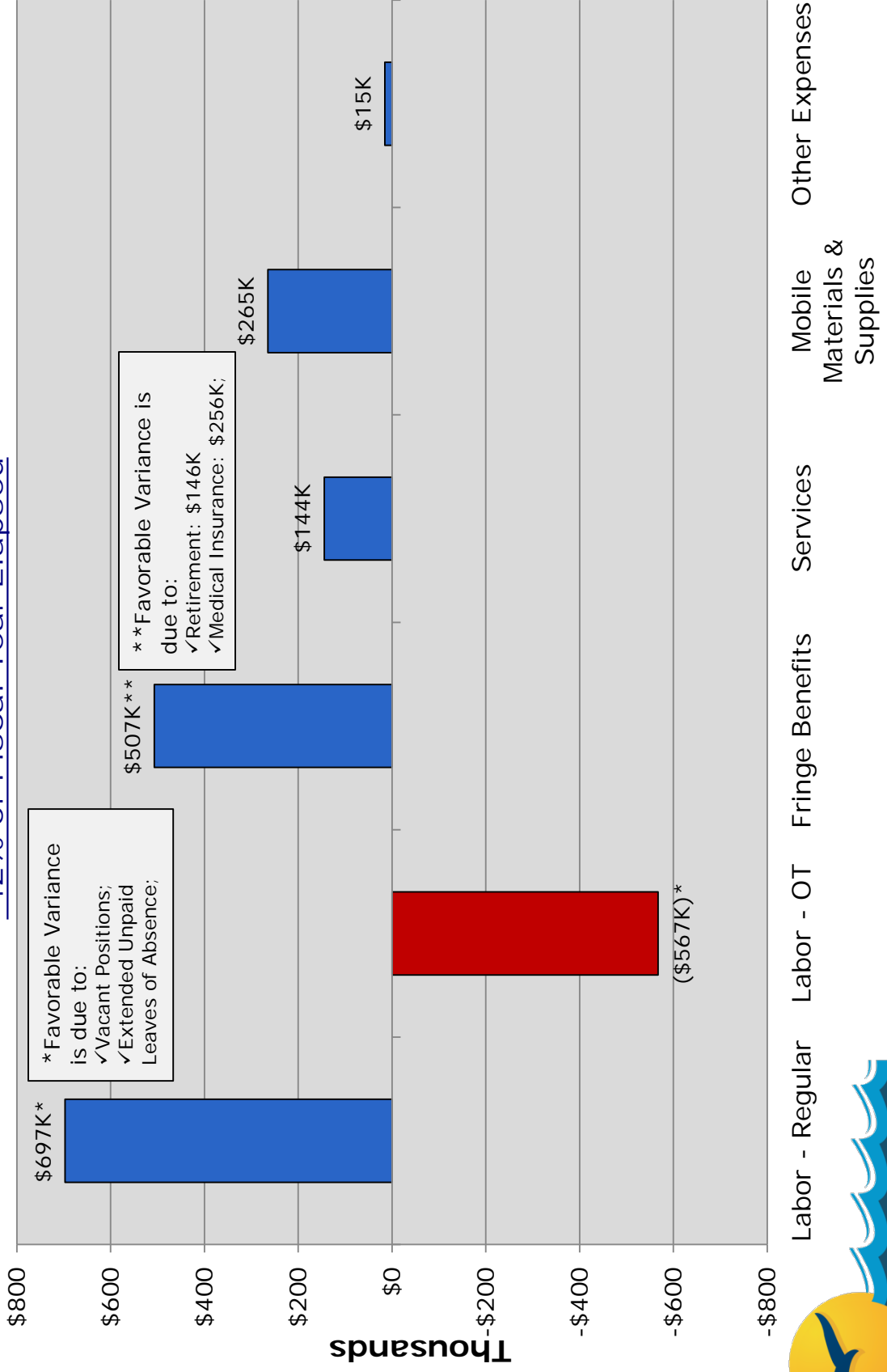
5.6





# Favorable/(Unfavorable) Expense Variance to Budget Year to Date as of November 30, 2018

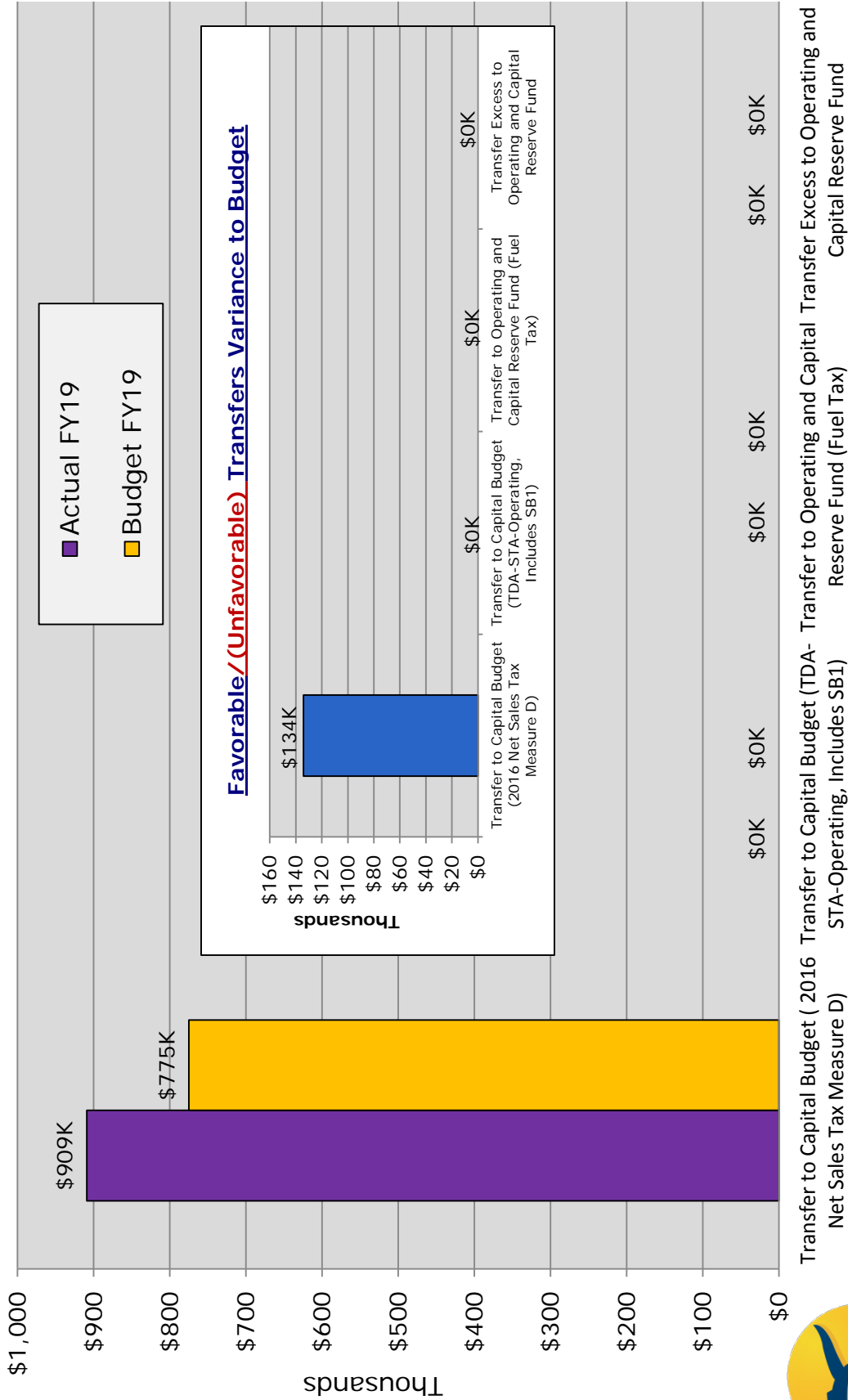
42% of Fiscal Year Elapsed



# FY19 Transfers

## Year to Date as of November 30, 2018

### 42% of Fiscal Year Elapsed

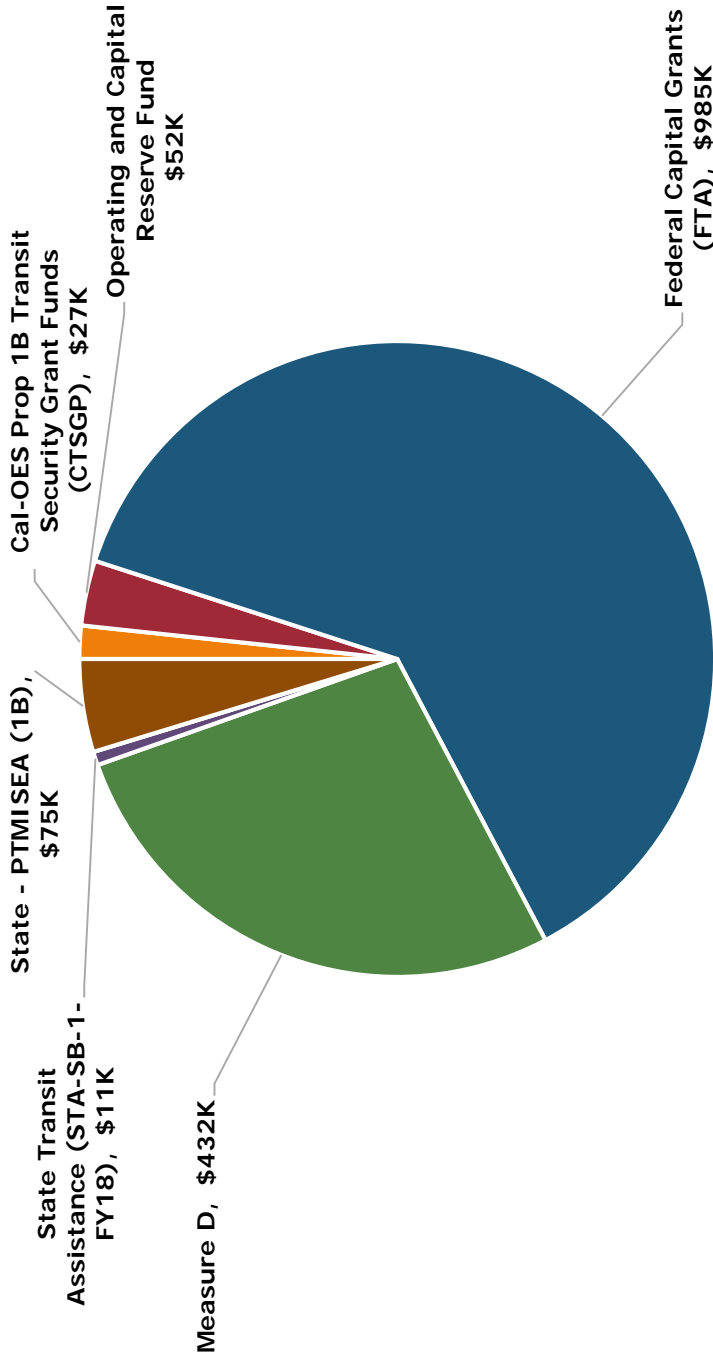


# FY19 Capital Budget:

Spending Year to Date (by Funding Source) as of November 30, 2018

42% of Fiscal Year Elapsed

|                               | Actual YTD         | Total FY19 Budget   | % Spent YTD |
|-------------------------------|--------------------|---------------------|-------------|
| <b>Total Capital Funding:</b> | <b>\$1,582,270</b> | <b>\$21,972,877</b> | <b>7%</b>   |



Actual YTD



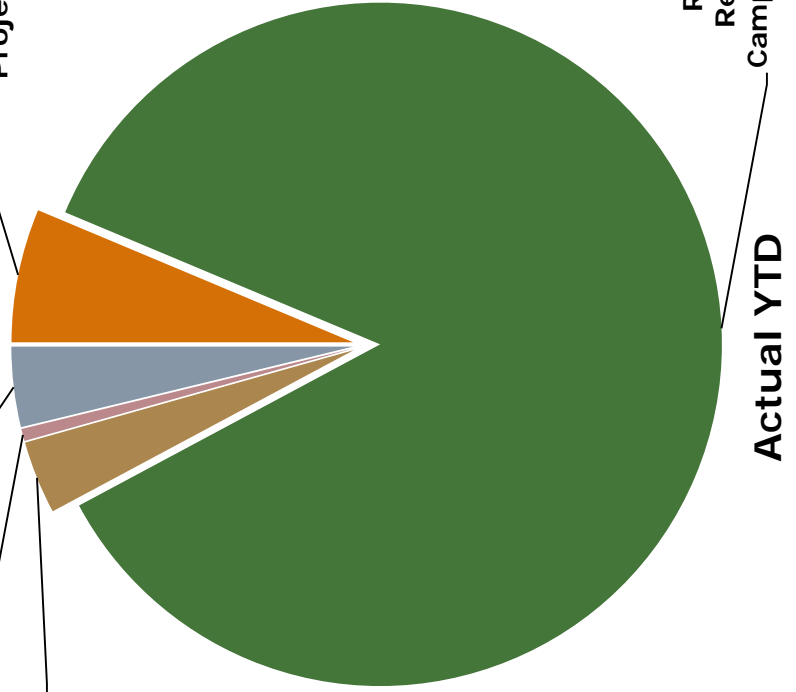
# FY19 Capital Budget:

Spending Year to Date as of November 30, 2018

42% of Fiscal Year Elapsed

|                                | Actual YTD         | Total FY18 Budget   | % Spent YTD |
|--------------------------------|--------------------|---------------------|-------------|
| <b>Total Capital Projects:</b> | <b>\$1,582,270</b> | <b>\$21,972,877</b> | <b>7%</b>   |

Office Equipment \$9K  
 Non-Revenue Vehicle Purchases & Replacements \$55K  
 Misc, \$60K  
 Construction Related Projects, \$100K



Revenue Veh Replacement & Campaigns, \$1,359K

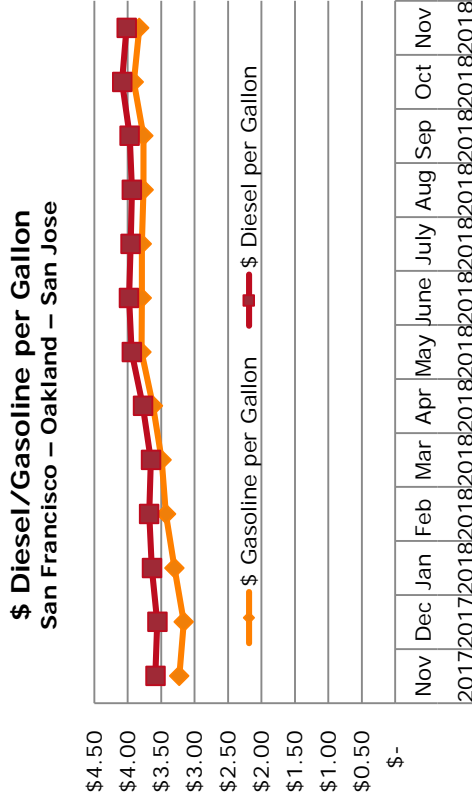
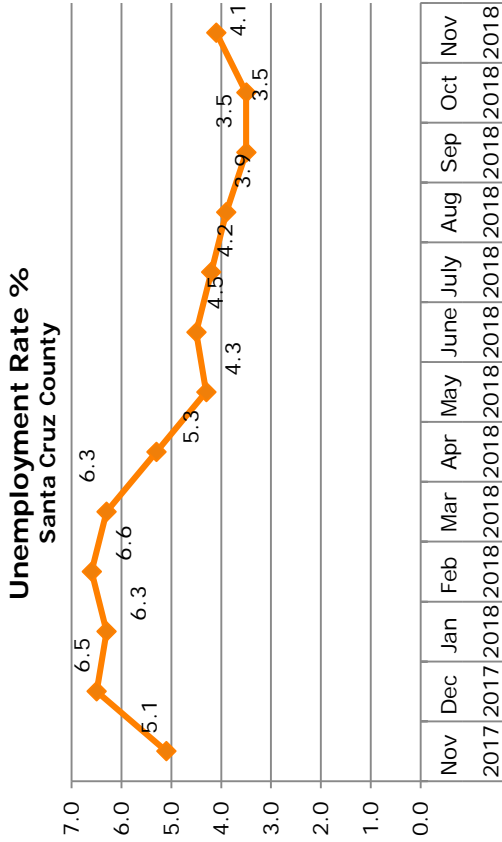
\* See FY19 Capital Budget Project Status Report for additional details

# Additional Information

5.11



# Economic Indicators & Ridership:



| FY19-18 Ridership: November YTD |           |           |          |
|---------------------------------|-----------|-----------|----------|
| Ridership                       | Nov-FY19  | Nov-FY18  | % Change |
| Total                           | 1,951,742 | 1,952,546 | 0.0%     |
| Local                           | 1,829,171 | 1,828,678 | 0.0%     |
| Hwy 17                          | 122,571   | 123,868   | -1.0%    |
| UCSC                            | 910,159   | 903,831   | 0.7%     |
| Cabrillo                        | 143,169   | 126,889   | 12.8%    |
| Non-Student                     | 775,843   | 797,958   | -2.8%    |



**FY19 Operating Revenue, Expenses, and Transfers:**  
**Year to Date as of January 31, 2019: PRELIMINARY:**

58% of Fiscal Year Elapsed

| <b>\$ In Thousands</b>                          | <b>Actual</b>    | <b>Budget</b>    | <b>Budget to Actual Favorable/ (Unfavorable)</b> |
|---|------------------|------------------|--|
| <b>Revenue:</b>                                 | <b>\$26,643</b>  | <b>\$24,965</b>  | <b>\$1,679</b>                                   |
| <b>Operating Expenses:</b>                      |                  |                  |  |
| Personnel Expenses                              | \$22,850         | \$23,462         | \$612  |
| Non-Personnel Expenses                          | \$4,348          | \$5,559          | \$1,251  |
| <b>Total Operating Expenses:</b>                | <b>\$27,198</b>  | <b>\$29,061</b>  | <b>\$1,863</b>                                   |
| <b>Transfers:</b>                               |                  |                  |  |
| Transfers to Capital Budget                     | \$1,100          | \$1,085          | \$15   |
| Transfers to Operating and Capital Reserve Fund | \$0              | \$0              | \$0  |
| <b>Total Transfers:</b>                         | <b>\$1,100</b>   | <b>\$1,085</b>   | <b>\$15</b>                                      |
| <b>Operating Balance:</b>                       | <b>(\$1,655)</b> | <b>(\$5,181)</b> | <b>\$3,526</b>                                   |

# Questions

5.14





**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**  
**FY19 REVISED CAPITAL BUDGET**  
**For FEBRUARY 22, 2019 Board Meeting**  
**Report Status - Spending as of November 30, 2018**  
 Updated: 1/31/2019

|   | Project / Activity   | 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              |
|---|--|--------------|--------------------------|---------------------------------|------------------------|-----------------------|----------------------------|------------------------|--------------------------|---|-----------------------|------------------------------------|
| <b>Construction Related Projects</b>          |  |              |                          |                                 |                        |                       |                            |                        |                          |   |                       |                                    |
| 1   | Pacific Station/Metro Center-Station Rehabilitation          | EA           | \$ 1,551,333             | \$ 432                          | 0%                     | 12/5/2018             |                            |                        |                          | Building assessment completed by Walker Property Services. Project kick-off 1/22/2019   | PTMISEA               | 6/30/2022                          |
|   | Pacific Station/Metro Center-Roof & Window Replacement       | EA           | \$ 350,000               | \$ -                            | 0%                     | 12/5/2018             |                            |                        |                          | See project status above for rehabilitation of Pac Station. CEO met with Santa Cruz City Manager to discuss concept plans.                                    | PTMISEA               | 6/30/2022                          |
|   | Pacific Station/Metro Center-Conceptual Design / MOU         | BE           | \$ 175,668               | \$ -                            | 85%                    | 1/1/2013              |                            | 6/30/2016              | 9/30/2019                | Contractor working on punch list.   | FTA, CAPITAL RESERVES | 9/30/2019                          |
| 2   | Metrobase Project - Judy K.Souza - Operations Bldg.          | EA           | \$ 434,000               | \$ 72,820                       | 95%                    | 9/26/2014             |                            | 6/30/2018              | 9/28/2018                | Complete. Need to issue notice of completion.   | PTMISEA, CAL-OES, RES | 6/30/2022                          |
| 3   | Mechanical Platform Upgrade - JKS Transit Security Projects: | EA           | \$ 120,000               | \$ 6,594                        | 100%                   | 8/26/2016             |                            | 6/30/2018              | 9/28/2018                |   | CAL-OES               | 3/31/2019                          |
|   | Emergency Generators - Equip. Cameras on Buses               | EB, CA<br>IH | \$ 318,300<br>\$ 42,275  | \$ -<br>\$ 9,958                | 70%<br>100%            | 7/10/2014<br>3/1/2017 |                            | 6/15/2018<br>6/30/2018 |                          | Vernon - project moving forward. Pacific Station - generator will be rolled into Pacific Station Rehabilitation project above. Completed 10/31/2018 per Isaac | CAL-OES<br>CAL-OES    | 3/31/2019<br>3/31/2019             |
|   | Security Cameras Consultant                                  | IH           | \$ 25,000                | \$ -                            | 60%                    | 6/1/2017              |                            | 6/22/2018              | 10/31/2018               | Close to complete, awaiting cost proposal from Ojo. And board approval  | CAL-OES               | 3/31/2019                          |
|   | Emergency Generators - Consultant                            | EB, CA       | \$ 16,000                | \$ 10,153                       | 50%                    | 7/10/2014             |                            | 10/1/2018              | 12/31/2018               | Pac Station not funded, needs to go back on Capital Budget Unfunded list.   | CAL-OES               | 3/31/2019                          |
|   | Security Cameras Install                                     | IH           | \$ 2,275                 | \$ -                            | 0%                     | 7/30/2018             |                            | #####                  |                          | Awaiting cost proposal from Ojo Technologies.   | CAL-OES               | 3/31/2019                          |
|   | Subtotal   |              | \$ 3,034,851             | \$ 99,957                       |                        |                       |                            |                        |                          |   |                       |                                    |
| 4   | None   |              | \$ -                     | \$ -                            |                        |                       |                            |                        |                          |   |                       |                                    |
|   | Subtotal   |              | \$ -                     | \$ -                            |                        |                       |                            |                        |                          |   |                       |                                    |
| <b>Facilities Upgrades &amp; Improvements</b> |  |              |                          |                                 |                        |                       |                            |                        |                          |   |                       |                                    |
| 5   | Fuel Management System (FTA 5339a FY17)                      | EB, CA       | \$ 180,000               | \$ -                            | 10%                    | 10/1/2017             |                            | #####                  |                          | Pending executed grant agreement  | FTA                   | Award pending                      |
| 6   | Gate Control at JKS Bus Entry (FTA 5339a FY18)               | FR, EB       | \$ 100,000               | \$ -                            | 0%                     | 1/9/2019              |                            |                        |                          | Project Kick-off meeting set for 1/9/2019   | FTA                   | Award Pending                      |
| 7   | 138 Golf Club Fire Egress (FTA 5339a FY17)                   | EB, CA       | \$ 97,523                | \$ -                            | 30%                    | 4/1/2015              |                            | 10/1/2018              |                          | Pending executed grant agreement  | FTA                   | Award pending                      |
| 8   | Roof Repairs-Maint. Facility (FTA 5339a FY18)                | FR, EB       | \$ 92,000                | \$ -                            | 0%                     | 1/9/2019              |                            |                        |                          | Project Kick-off meeting set for 1/9/2019   | FTA                   | Award Pending                      |
| 9   | Paint Exterior-Maint. Facility (FTA 5339a FY18)              | FR, EB       | \$ 60,000                | \$ -                            | 0%                     | 1/9/2019              |                            |                        |                          | Project Kick-off meeting set for 1/9/2019   | FTA                   | Award Pending                      |
| 10  | Facilities Improvements (FTA 5339a FY18)                     |              | \$ 58,000                | \$ -                            |                        |                       |                            |                        |                          |   | FTA                   | Award Pending                      |
| 11  | Facilities Improvements (FTA 5339a FY15/16)                  |              | \$ 34,174                | \$ -                            |                        | 8/1/2016              |                            | 9/1/2018               |                          |   | FTA                   | Award 8/14/17, 5 years to obligate |
| 11a   | Landscaping WTC (FTA 5339a FY15/16)                          | EB, CA       | \$ 30,000                | \$ -                            | 90%                    |                       |                            | #####                  |                          | Pending Alex notice to proceed.(Mural wall painting) on   |                       | Award 8/14/17, 5 years to obligate |
| 12  | Bus Stop & Fac Improve. (FTA 5339a FY15/16)                  | EB, CA       | \$ 29,082                | \$ -                            | 0%                     | 8/1/2016              |                            | 9/1/2018               |                          | Pending development of sight specify priority list.   | FTA                   | Award Pending                      |
| 13  | Bus Shelter Reconditioning (FTA 5339a FY18)                  | FR, EB       | \$ 25,000                | \$ -                            | 0%                     | 1/9/2019              |                            |                        |                          | Project Kick-off meeting set for 1/9/2019   | FTA                   | Award Pending                      |
| 14  | Awning @ Fueling Station A&E only (FTA 5339a FY18)           | FR, EB       | \$ 25,000                | \$ -                            | 0%                     | 1/9/2019              |                            |                        |                          | Project Kick-off meeting set for 1/9/2019   | FTA                   | Award Pending                      |
| 15  | Admin Bldg. Engineering & Renovations                        | AA           | \$ 20,000                | \$ -                            |                        | 4/1/2018              |                            | 6/1/2018               |                          | Angela is expecting to kick this off in January.  | CAPITAL RESERVES      | N/A                                |
| 16  | Asphalt Repair-Pac Station Layover (FTA 5339a FY18)          | FR, EB       | \$ 14,000                | \$ -                            | 0%                     | 1/9/2019              |                            |                        |                          | Project Kick-off meeting set for 1/9/2019   | FTA                   | Award Pending                      |
| 17  | Admin Bldg. Engineering & Renovations (FTA 5339a FY18)       | AA           | \$ 10,000                | \$ -                            | 0%                     |                       |                            |                        |                          | Angela is expecting to kick this off in January.  | FTA                   | Award Pending                      |
| 18  | Concrete Surface Repair - Bus Yard (FTA 5339a FY18)          | FR, EB       | \$ 10,000                | \$ -                            | 0%                     | 1/9/2019              |                            |                        |                          | Project Kick-off meeting set for 1/9/2019   | FTA                   | Award Pending                      |
| 19  | Relocate Mechanics Sink-Golf Club (FTA 5339a FY14)           | FR, EB       | \$ 9,548                 | \$ -                            |                        |                       |                            |                        |                          | An ask for funds to be reallocated to purchase of Pressure Washer for Facilities  | FTA                   | Award Pending                      |

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**  
**FY19 REVISED CAPITAL BUDGET**  
**For FEBRUARY 22, 2019 Board Meeting**  
**Report Status - Spending as of November 30, 2018**  
 Updated: 1/31/2019

|  | Project / Activity  | 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  |
|--|---|---------|--------------------------|---------------------------------|------------------------|------------|----------------------------|------------------------|--------------------------|---|--------------------------|--|
| 20   | Fencing Behind Diesel Tank (FTA 5339a FY18)   | FR, EB  | \$ 8,910                 | \$ -                            | 0%                     | 1/9/2019   |                            |                        |                          | Project Kick-off meeting set for 1/9/2019   | FTA                      | Award Pending  |
| 21   | Upgrade Exhaust Evac.-Golf Club (FTA 5339a FY14)  | FR, EB  | \$ 8,000                 | \$ -                            |                        |            |                            |                        |                          | An ask for funds to be reallocated to purchase of Pressure Washer for Facilities  |                          |  |
|  | Subtotal  |         | \$ 811,237               | \$ -                            |                        |            |                            |                        |                          |   |                          |  |
| <b>Revenue Vehicle Purchases, Replacements &amp; Campaigns</b> |   |         |                          |                                 |                        |            |                            |                        |                          |   |                          |  |
| 22   | Electric Bus (3) + Infra & Proj Mgmt. (FTA 5339c FY16)  | EA      | \$ 4,919,542             | \$ 9,887                        | 5%                     | 9/7/2016   |                            | 6/30/2022              |                          | Bus purchase element to be put out to bid in 2019 instead of buying from BYD. Infrastructure moving ahead, all other elements on hold                 | FTA, PTMISEA, MEAS D     | Award 8/23/17, 5 years to obligate. PTMISEA 6/30/22              |
| 23   | 4 40' CNG Replacements (FTA 5339b FY17)   | EB      | \$ 2,635,548             |                                 | 0%                     |            |                            |                        |                          | Order placed. Waiting for build schedule from Gillig  | FTA, STA-SGR, MEAS D     |  |
| 24   | FY18 STIP - 2 ZEBs (STIP, LPP, HVIP = \$300K)   | EB, EA  | \$ 1,656,000             |                                 | 0%                     |            |                            |                        |                          |   | STIP, LPP, HVIP (\$300K) |  |
| 25   | FY18 STIP - AVL/ITS (STIP, Meas D)  | IH      | \$ 1,581,385             | \$ 128,780                      | 0%                     |            |                            |                        |                          |   | STIP, MEAS D             | PTMISEA 6/30/22, LCTOP Award 6/2/16 3 years to obligate (6/1/19) |
| 26   | Electric Bus (1) - Watsonville ZEB Circulator (FY15/16)   | EA      | \$ 1,066,508             | \$ -                            | 50%                    | 6/1/2016   |                            | 6/30/2019              |                          | Received Proterra's cost proposal 9/18/2018 order pending executed contract and issuance of purchase order. Deadline extension request still pending. | PTMISEA, LCTOP           |  |
| 27   | FY18 STIP - Refurb 3 Buses @ \$345K (STIP, Measure D)   | EB      | \$ 1,016,605             |                                 | 0%                     |            |                            |                        |                          |   | STIP, MEAS D             |  |
| 28   | VTA Bus Transfer - Decommission & Retrofit 10 Electric Hybrids, and 4 Diesel Artics                   | EB      | \$ 1,000,000             | \$ 157,925                      | 5%                     |            |                            |                        |                          | Eddie and Freddy are working on project   | MEAS D                   |  |
| 29   | Paracruz Van Replacements (11) (FTA 5339a FY15/16)  | EB, CA  | \$ 863,232               | \$ 826,899                      | 100%                   | 4/1/2018   |                            | 4/15/2018              | 9/30/2018                | Complete, all vehicles in service.  | FTA, MEASURE D           | Award 8/14/17, 5 years to obligate                               |
| 30   | Electric Bus (1) - Watsonville Circulator DAC (FY17/18 LCTOP)   | EB, EA  | \$ 863,102               |                                 |                        |            |                            |                        |                          |   | LCTOP                    |  |
| 31   | CNG Bus (1) - (STBG FY17-via SCCRTC)  | EB, EA, | \$ 658,887               | \$ -                            | 5%                     | 9/1/2016   |                            | 5/1/2019               |                          | Ordered placed 9/11/2018  | FTA, PTMISEA             | 6/1/19, 6/30/22  |
| 32   | CNG Bus (1) - (FTA 5339 Rural FY16)   | EB, EA, | \$ 658,889               | \$ -                            | 1%                     |            | 5/1/2018                   |                        |                          | FTA has not executed the contract as they are waiting for their Procurement Branch to complete their review of the LAVTA contract                     | FTA, MEASURE D           | Award pending  |
| 33   | Year 2 - Capitalized Lease - (3 New Flyer Buses)  | EB, CA  | \$ 283,529               | \$ 100,731                      | 13%                    | 12/1/2017  |                            | 6/30/2018              | 11/30/2023               | Making monthly payments against the lease (14 of 72 payments as of 1/2/19)  | MEASURE D                | N/A  |
| 34   | Mid-Life Bus Engine Overhaul (7) (FTA 5339a FY14)   | EB, CA  | \$ 165,239               | \$ -                            | 100%                   |            |                            | 6/13/2018              |                          | Completed   | FTA, MEASURE D           |  |
| 35   | Mid-Life Bus Engine Overhaul (4) (FTA 5339a FY17)   | EB, CA  | \$ 160,000               | \$ -                            | 0%                     | 9/1/2017   |                            | 6/30/2018              | 4/30/2019                | Grant being submitted by Tom  | FTA                      | Award pending  |
| 36   | Bus Repaint Campaign (36) (FTA 5339a FY14)  | EB, CA  | \$ 102,809               | \$ 43,537                       | 53%                    | 2/15/2018  |                            | 6/30/2019              |                          | Classic Graphic body and Paint -22 completed and 14 remain. Project on going.   | FTA, MEASURE D           | Award 8/14/17, 5 years to obligate                               |
| 37   | Paratransit Vehicle - (1) (FTA 5310 FY13/14)  | EB,CA   | \$ 68,367                | \$ 65,131                       | 100%                   | 4/1/2017   |                            | 6/30/2018              | 7/18/2018                | Completed   | FTA, MEASURE D           | Award 3/1/16, 10 years to obligate                               |
| 38   | Capitalized Lease - 3 New Flyer Buses-External Announcement System Programming Patch (Clever Devices) | EB,CA   | \$ 28,500                | \$ 25,665                       | 85%                    |            |                            | #####                  |                          | Internal /External Announcements Paul Revere Buses- Internal announcement completed - External announcement solution on going by Clever Device.       | FTA, MEASURE D           | N/A  |
| 39   | Bus Repaints (3) was-Repair Roof at Pacific Station (FTA 5339a FY13)                                  | EB,CA   | \$ 13,802                | \$ -                            | 100%                   |            |                            | 6/30/2018              |                          | Project Close-Out complete 10/31/2018   | FTA, MEASURE D           | None per Tom   |
|  | Subtotal  |         | \$ 17,741,944            | \$ 1,358,555                    |                        |            |                            |                        |                          |   |                          |  |
| <b>Non-Revenue Vehicle Purchases &amp; Replacements</b>        |   |         |                          |                                 |                        |            |                            |                        |                          |   |                          |  |
| 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 Vehicle (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                       |                        |            |                            |                        |                          |   |                          |  |
| <b>Fleet &amp; Maint Equipment</b>                             |   |         |                          |                                 |                        |            |                            |                        |                          |   |                          |  |

| SANTA CRUZ METROPOLITAN TRANSIT DISTRICT         |  |  |        |                          |                                 |                        |            |                            |                        |                          |   |                      |                       |
|--|--|--|--------|--------------------------|---------------------------------|------------------------|------------|----------------------------|------------------------|--------------------------|---|----------------------|-----------------------|
| FY19 REVISED CAPITAL BUDGET                      |  |  |        |                          |                                 |                        |            |                            |                        |                          |   |                      |                       |
| For FEBRUARY 22, 2019 Board Meeting              |  |  |        |                          |                                 |                        |            |                            |                        |                          |   |                      |                       |
| Report Status - Spending as of November 30, 2018 |  |  |        |                          |                                 |                        |            |                            |                        |                          |   |                      |                       |
| Updated: 1/31/2019                               |  |  |        |                          |                                 |                        |            |                            |                        |                          |   |                      |                       |
|  |  |  |        |                          |                                 |                        |            |                            |                        |                          |   |                      |                       |
|  |  | Project / Activity   | 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 |
| 42   |  | Bus Yard Scrubber/Sweeper (FTA 5339a FY18)                                   | FR, EB | \$ 75,000                | \$ -                            | 0%                     | 1/10/2019  |                            |                        |                          | Project Kick-Off meeting for 1/10/19  | FTA                  | Award pending         |
| 43   |  | Floor Scrubbers for Maint. Shop (FTA 5339a FY18)                             | FR, EB | \$ 45,000                | \$ -                            | 0%                     | 1/10/2019  |                            |                        |                          | Project Kick-Off meeting for 1/10/19  | FTA                  | Award pending         |
|  |  | Subtotal   |        | \$ 120,000               | \$ -                            |                        |            |                            |                        |                          |   |                      |                       |
| <b>Office Equipment</b>                          |  |  |        |                          |                                 |                        |            |                            |                        |                          |   |                      |                       |
| 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                        |                        |            |                            |                        |                          |   |                      |                       |
| <b>Misc.</b>                                     |  |  |        |                          |                                 |                        |            |                            |                        |                          |   |                      |                       |
| 46   |  | TVM Pin Pad Bezel 8 Upgrade (6) C/S Call Center Furnishings (FTA 5339a FY18) | AA     | \$ 19,000                | \$ 16,650                       | 95%                    |            |                            |                        |                          | Furniture delivered and installed, payment in progress. Awaiting authorization from Safeway, 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.  | FTA                  |                       |
| 51   |  | Watsonville Transit Mural-(\$2,700 from Arts Council SC)                     | TH     | \$ 6,600                 | \$ -                            | 5%                     | 12/20/2017 |                            | 11/1/2018              |                          |   | ARTS COUNCIL/CAP RES | N/A                   |
|  |  | Subtotal   |        | \$ 145,645               | \$ 59,963                       |                        |            |                            |                        |                          |   |                      |                       |
| <b>TOTAL CAPITAL PROJECTS</b>                    |  |  |        | <b>\$ 21,972,877</b>     | <b>\$ 1,582,270</b>             |                        |            |                            |                        |                          |   |                      |                       |

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# FY20 & FY21 **Preliminary** Operating Budget

Board of Directors

*February 8, 2019*

Angela Aitken, Chief Financial Officer

# Overview of Today's Presentation

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- **FY20 and FY21 Preliminary Budget: Budget Assumptions**
  - Total Revenue Sources
  - Total Operating Expenses
  - Total Transfers
- **Board Authorized METRO Support Activities FY20 and FY21**
- **Budgeted Memberships**
- **Board Member Travel Budget Assumptions**
- **Employee Incentive Program**

# FY20 and FY21 Revenue Sources



## Budget Assumptions

- Fares:** Based on Projected FY19 Actual Fares and Ridership Assumptions for FY20 and FY21

|   | % Change<br>FY20 - FY19<br><b>Projected Actual</b> | % Change<br>FY20 - FY19<br>Budget | % Change<br>FY21 - FY20<br>Budget |
|---|--|-----------------------------------|-----------------------------------|
| Passenger Fares                             | -2%  | 1%                                | -2%                               |
| Special Transit Fares:<br>UCSC Contract     | 2.5%   | 5%                                | 2.5%                              |
| Special Transit Fares:<br>Cabrillo Contract | 0%   | 0%                                | 0%                                |
| Highway 17 Fares                            | -5%  | -1%                               | -3%                               |
| Highway 17<br>Payments: VTA                 | 0%   | 0%                                | 0%                                |
| Highway 17<br>Payments: Amtrak              | 3%   | 3%                                | 3%                                |



Budget Assumptions

- **Sales Tax and TDA-LTF:** Based on Projected FY19 Actual and Growth Assumptions for FY20 and FY21:

|                                     | % Change<br>FY20 - FY19<br><b>Projected Actual</b> | % Change<br>FY20 - FY19<br>Budget | % Change<br>FY21 - FY20<br>Budget |
|-------------------------------------|--|-----------------------------------|-----------------------------------|
| 1979 Gross Sales Tax<br>(1/2 cent): | 4%   | 6%                                | 4%                                |
| 2016 Net Sales Tax<br>(Measure D):  | 4%   | 7%                                | 4%                                |
| TDA - LTF Funds:                    | 3%   | 6%                                | 3%                                |



## Budget Assumptions

- **FTA Funds, STIC, TDA-STA:** Based on most recent available allocation estimates

|                                 | % Change<br>FY20 - FY19<br>Budget | % Change<br>FY21 – FY20<br>Budget |
|---------------------------------|-----------------------------------|-----------------------------------|
| FTA Sec 5307 & FTA<br>Sec 5311: | 2%                                | 5%                                |
| STIC:                           | 14%                               | 5%                                |
| TDA -STA:                       | 14%                               | 1%                                |

- **Other:** Based on prior year trending

|                     |     |     |
|---------------------|-----|-----|
| Advertising Income: | 10% | -9% |
| Rent Income:        | 2%  | 2%  |
| Interest Income:    | 11% | 0%  |

# FY20 and FY21 Operating Expenses



## Budget Assumptions

- **Personnel:**

|                        | % Change<br>FY20 - FY19<br>Budget | % Change<br>FY21 – FY20<br>Budget |
|------------------------|-----------------------------------|-----------------------------------|
| Labor                  | 2.7%                              | 1.5%                              |
| Fringe Benefits        | 8.6%                              | 5.0%                              |
| <b>Total Personnel</b> | <b>5.8%</b>                       | <b>3.4%</b>                       |

**Notes:**

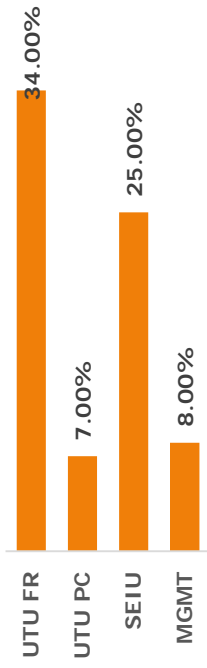
- ✓ 2% COLA for UTU Fixed Route and ParaCruz in FY20
- ✓ Overtime is budgeted as a % of wages (0.5%, 1%, 12%: prior year trend in Fleet and Facilities) and/or a flat amount = FY19 Budget (example: \$1M budgeted in department Bus Operators)
- ✓ CalPERS Rate: 30.2% in FY20 and 32.2% in FY21
- ✓ Medical Insurance: 5% increase effective in January of each year
- ✓ Dental, Vision, LTD, Life/AD&D, Workers Comp: 3% increase each year



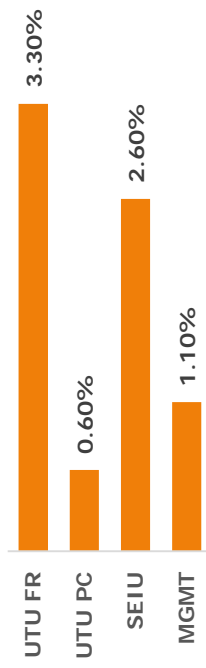
# Budget Assumptions & Analysis

- **Personnel:**

- ✓ Wages and Benefits: % of Total Expenses, by bargaining unit:



- ✓ Paid Leaves and Paid Holidays: % of Total Expenses, by bargaining unit:



- ✓ FY20 Retiree Medical Benefit: Age > < 65



- ✓ Management Comp Plan: Budget Impact as of 6/22/2018 (when the FY20 was adopted) = \$444K; Revised estimates will be available later this month after BOD 2-22-2019

## Budget Assumptions

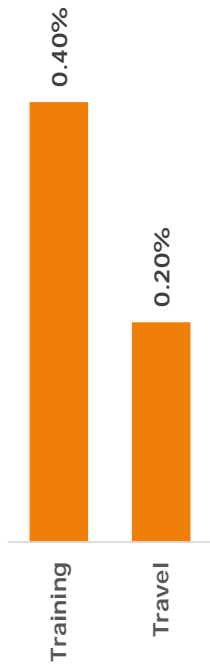
- **Non-Personnel:**

|  | % Change<br>FY20 - FY19<br>Budget | % Change<br>FY21 – FY20<br>Budget |
|--|-----------------------------------|-----------------------------------|
| Services                               | 2.3%                              | -10.0%                            |
| <b>Mobile Materials &amp; Supplies</b> | <b>-20.2%</b>                     | 0.0%                              |
| Other Materials & Supplies             | -1.3%                             | -0.3%                             |
| Utilities                              | 2.0%                              | 0.0%                              |
| Casualty & Liability                   | 7.3%                              | 7.3%                              |
| Taxes                                  | 10.6%                             | 0.0%                              |
| Misc. Expenses                         | 7.9%                              | 0.1%                              |
| Interest Expense                       | -19.0%                            | -24.1%                            |
| Leases & Rentals                       | 2.0%                              | 2.0%                              |
| <b>Total Non-Personnel</b>             | <b>-5.1%</b>                      | <b>-3.6%</b>                      |



# Budget Assumptions & Analysis

- **Non-Personnel:**



✓ Total Training & Travel: % of Total Expenses



✓ Insurance PL/PD:

✓ Settlement Costs: \$150,000 in FY20 and FY21



# FY20 and FY21 Transfers





## Budget Assumptions

- **Transfers:**

|  | % Change<br>FY20 - FY19 Budget | % Change<br>FY21 – FY20<br>Budget |
|--|--------------------------------|-----------------------------------|
| Transfers to Capital Budget<br>(Measure D and STA)   | 2.1%                           | 0.5%                              |
| Transfers to Operating and Capital Reserve Fund<br>(Fuel Tax Credit and Operating Surplus) | 116.0%                         | 12.4%                             |
| <b>Total Transfers</b>   | <b>45.0%</b>                   | <b>7.2%</b>                       |

Notes:

- ✓ **\$3M Annual Commitments** to the Capital Budgets **are met in FY20 and FY21**
- ✓ Projected operating surplus/deficit in some years could result in significant fluctuations in the Transfers to the Operating and Capital Reserve Fund



# Additional Information FY20 and FY21



# Board Authorized METRO Support Activities

---

|   |  |
|---|--|
| Santa Cruz County Fair  | Senior Luncheon                              |
| Santa Cruz Follies  | Metro Advisory Committee (MAC)<br>METRO Tour |
| Santa Cruz Seaside Company<br>(Late Night Transit Service to<br>Watsonville for the Summer) | Leadership Santa Cruz                        |



# Memberships

- Administration:

- American Public Transportation Association (APTA): \$39,250
- California Transit Association (CTA): \$16,924
- Monterey Bay Economic Partnership (MBEP): \$5,000
- Community Transport Association of America (CTAA): \$3,900
- Center for Transportation and the Environment (CTE): \$3,000
- Chamber of Commerce: \$1,300
- Bus Coalition: \$3,000
- Eastern Contra Costa Transit Agency (ZEBRA Membership): \$4,000
- California Association of Coordinated Transportation (CalACT): \$1,005
- Letter Press: \$675
- Santa Cruz Sentinel: \$380
- Register-Pajaronian: \$62
- Costco: \$120
- National Notary: \$120
- **Total: \$78,736**

- Finance:

- California Society of Municipal Finance Officers (CSMFO): \$220
- Government Finance Officers Association (GFOA): \$300
- Kiplinger Letters: \$100
- **Total: \$620**

- Customer Service:

- Miscellaneous: \$200
- **Total: \$200**



# Memberships

- Human Resources:

- California Public Employers Labor Relations Associations (CalPERLA): \$1,000
- Society for Human Resource Management (SHRM): \$836
- Northern California Human Resources Association (NCHRA): \$500
- John Dash: \$250
- Cal Chamber: \$849 (FY21 Only)
- **FY20 Total: \$2,586    FY21 Total: \$3,435**

- Risk Management:

- Miscellaneous: \$500
- **Total: \$500**

- Purchasing:

- California Association of Public Procurement Officials (CAPPO): \$300
- **Total: \$300**

- Fleet Maintenance:

- Cummins INSITE Fleet books Software: \$2,000
- John Deere Software: \$500
- Southern California Regional Transit Training Consortium (SCR TTC): \$1,000
- Mitchell Online Vehicle Manuals: \$500
- Allison Transp. Software: \$2,000
- All Data: \$1,000
- **Total: \$7,000**

**FY20 Total: \$89,942    FY21 Total: \$90,798**

## Board Member Travel Budget Assumptions

---

### American Public Transportation Association (APTA) Meetings

|   |  |
|---|--|
| <b>Annual Conference</b><br>October 2019<br>New York, NY<br>Two Board Members | <b>Legislative Conference</b><br>March 2020<br>Washington, DC<br>Two Board Members |
|---|--|

### California Transit Association (CTA) Meetings

|   |  |
|---|--|
| <b>Annual Meeting</b><br>November 2019<br>TBD<br>One Board Member | <b>Legislative Conference</b><br>May 2020<br>TBD<br>One Board Member |
|---|--|

### Additional Travel

Meetings with legislators and government officials in Washington, San Francisco and Sacramento, as approved by the Chair of the Board.

Expenses related to Board Members meeting with CEO/General Manager and Staff.



# Employee Incentive Programs

## Attachment A

| Event/Activity   | FY20                        | FY21                        | Department  |
|--|-----------------------------|-----------------------------|---|
| District Service Awards  | \$4,000                     | \$4,000                     | Administration  |
| Employee Picnic and Holiday Party  | \$5,000                     | \$5,000                     | Administration  |
| Transit Driver Appreciation Day  | \$1,000                     | \$1,000                     | Administration  |
| Employee Appreciation Event<br><u>(new)</u>                                | \$3,000<br>\$200<br>\$3,000 | \$3,000<br>\$200<br>\$3,000 | Administration<br>Customer Service<br>Risk Management |
| Awards<br>Safe Driver Certificates/<br>Patches<br>Line Instruction Patches | \$3,000                     | \$3,000                     | Bus Operators   |
| <b>Total</b>   | <b>\$19,200</b>             | <b>\$19,200</b>             |   |

# Questions







# **Understanding CalPERS and our Unfunded Accrued Liability (UAL)**

Santa Cruz METRO Board of Directors

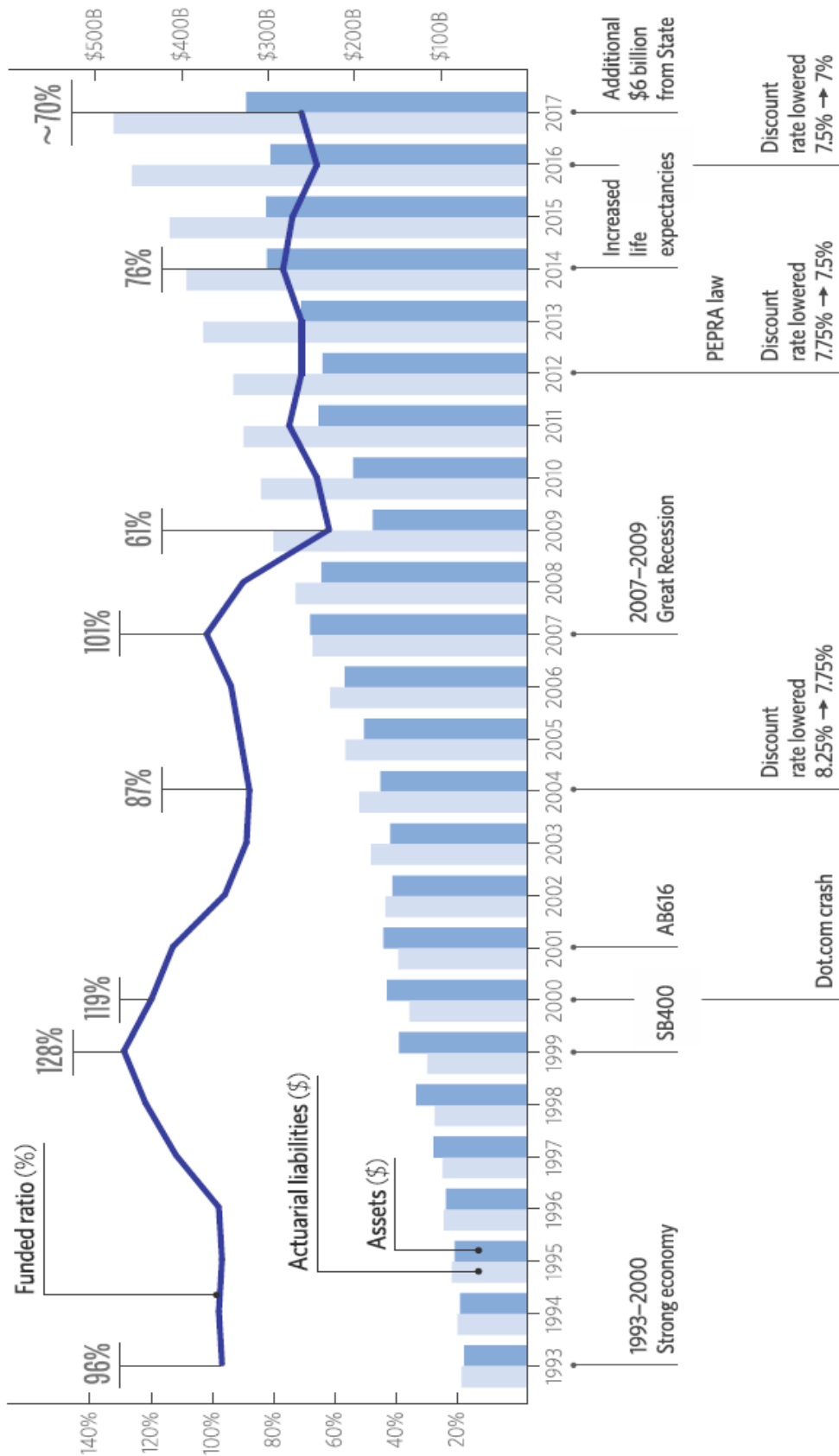
*February 8, 2019*

Angela Aitken, Chief Financial Officer

## Background

- CalPERS is the largest public pension fund in the nation: approximately 3,000 employers representing more than 1.9 million members.
- CalPERS is an independent agency with sole responsibility to administer retirement funds of contracting agencies.
- CalPERS is responsible for:
  - Collecting both employee and employer contributions;
  - Placing them in a pension trust;
  - Managing the investments of the funds;
  - Distributing the funds to employees after retirement.
- **Main Objective is to accumulate sufficient assets to pay benefits over the remainder of employee's lifetime.**
- The Gap between funds available and funds needed for retiree benefits at a particular point in time is referred to as **Unfunded Accrued Liability (UAL).**

# Historical Factors Impacting CalPERS Funding Status



## How We Got Here

- **Investment Losses**: multiple years of returns coming in significantly under discount rate
- **CalPERS Contribution Policy**: slow recognition of investment losses; rolling 30 year amortization and asset smoothing
- **Enhanced Benefits Formulas**: in 2001 the Governor signed SB400 into law, reducing the age at which many State employees were eligible to retire; additionally SB400 provided retroactive increases in the formula used to calculate retirement benefits.
- **Demographics**: more retirees (Baby Boomers); declining active population; longer life spans

# Recent Developments to Strengthen the CaIPERS Fund

Lower Discount Rate  
(over three years)


7.5%  7% =

Significant increases passed on to CaIPERS Employers

New Asset Allocation  
(effective July 1, 2018)

50% Global Equity  
28% Fixed Income  
13% Real Estate  
8% Private Equity  
1% Liquidity

Shorter Amortization  
(taking effect in 2019 : will speed up the rate of UAL payments)

30 yrs.  20yrs. =

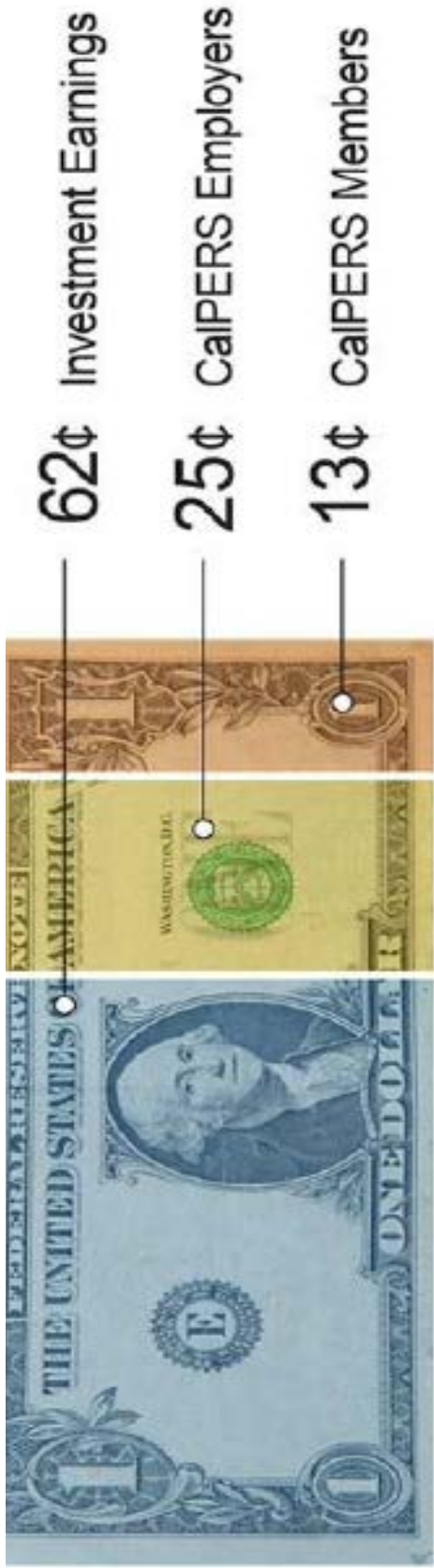
Significant long-term savings and Substantially Higher Annual Payments



# Our Shared Funding Responsibility

Changes in assumptions and policies affect employers since **they retain final responsibility for funding the pension plan.**

Every dollar paid to CalPERS retirees comes from three sources:



# Employer Contributions:

Santa Cruz METRO  
as of 12/31/2018

**Normal Cost  
in FY19**  
(9.2% of Payroll)

▪ \$1,669,928: Projected  
Normal Cost FY19

**UAL  
Amortization  
Payment in  
FY19**  
**(\$3,610,190)**

- **\$300,849**: Monthly Employer Dollar UAL Payment
- **7.375%** Discount Rate



\$5,288,116 = \$1,669,928 + \$3,610,190  
FY19 Projected Total

\$5,639,195:  
FY19 Budget



Employer Contributions:  
**Santa Cruz METRO : Projections FY20 – FY25**  
 (as per CalPERS Actuarial Valuation Report as of June 30, 2017)

|  | Projected Future Employer Contributions<br>(Assumes 7.25% Return for Fiscal FY18)* |              |              |              |              |              |       |
|--|--|--------------|--------------|--------------|--------------|--------------|-------|
|  | Required Contribution  | FY20         | FY21         | FY22         | FY23         | FY24         | FY25  |
| Fiscal Year  |  |              |              |              |              |              |       |
| Normal Cost (% of Payroll)   | 9.4%   | 10.1%        | 10.1%        | 10.1%        | 10.1%        | 10.1%        | 10.1% |
| UAL Payment  | \$4,188,846  | \$4,578,000  | \$5,033,000  | \$5,408,000  | \$5,634,000  | \$5,903,000  |       |
| Projected Payroll  | \$20,212,312   | \$20,717,711 | \$21,287,448 | \$21,872,852 | \$22,474,356 | \$23,092,401 |       |
| Total as a % of Payroll  | 30.2%  | 32.2%        | 33.8%        | 34.9%        | 35.2%        | 35.7%        |       |
| Total Contribution (Illustrative only based on projected payroll ) | \$6,104,118  | \$6,671,103  | \$7,195,157  | \$7,633,625  | \$7,910,973  | \$8,243,987  |       |

\*The Preliminary Rate of Return for FY18 is 8.6%.





UAL and Funding Status  
(as per CalPERS Actuarial Valuation Report as of June 30, 2017)

|   | <u>June 30, 2016</u> | <u>June 30, 2017</u> |
|---|----------------------|----------------------|
| 1. Present Value of Projected Benefits          | \$188,862,572        | \$197,740,176        |
| 2. Entry Age Normal Accrued Liability           | \$166,415,470        | \$173,211,950        |
| 3. Market Value of Assets (MVA)                 | \$108,365,247        | \$116,689,579        |
| 4. Unfunded Accrued Liability (UAL) [(2) – (3)] | \$58,050,223         | \$56,522,371         |
| <b>5. Funded Ratio [(3)/(2)]</b>                | <b>65.1%</b>         | <b>67.4%</b>         |



Strategies and Options to Consider to pay down UAL  
(as per CalPERS Actuarial Valuation Report as of June 30, 2017)

**1:** Prepay the UAL Portion of the Employer for the Year: must be received in full no later than July 31

**2:** Additional Discretionary Payments (ADPs) towards paying down UAL

**3:** Fresh Start (Full or Partial) Paying down UAL

Strategies and Options to Consider to pay down UAL  
(as per CalPERS Actuarial Valuation Report as of June 30, 2017)

**1: Prepay the UAL Portion of the Employer for the Year: FY20**  
**Must be received in full no later than July 31**

**Required Employer Contribution:**

Employer Normal Cost Rate:

9.439%

**Plus, Either**

1) Monthly Employer Dollar UAL Payment: \$349,071

**Or**

2) Annual UAL Prepayment Option: \$4,044,788

**Savings for the Year = \$144,064\***

\* \$349,071 x 12 = \$4,188,852;  
\$4,188,852 - \$4,044,788 = \$144,064

Strategies and Options to Consider to pay down UAL  
(as per CalPERS Actuarial Valuation Report as of June 30, 2017)

## 2: Additional Discretionary Payments (ADPs)

- ✓ Payments can be made at a dedicated amount
- ✓ Allows for budgeting flexibility
- ✓ Can dedicate one – time funding or new revenue
- ✓ Any additional payment made to principal reduces the amount of interest paid in the future

**\$1M** paid today reduces the amount of interest paid by **\$1.6M**

**6.12** **\$1M** paid every year for the next five years = **\$6.8M** of saved interest payments

Strategies and Options to Consider to pay down UAL  
(as per CalPERS Actuarial Valuation Report as of June 30, 2017)

### 3: Fresh Start (Full or Partial) UAL Amortization

#### Fresh Start (Full)

- ✓ Must pay off bases faster than existing amortization schedule
- ✓ Create new minimum payment
- ✓ Significant long-term savings

#### Fresh Start (Partial/Soft)

- ✓ ADPs each year
- ✓ Achieve similar long-term savings
- ✓ Irrevocable
- ✓ No Irrevocable election

20 Year Amortization = \$12.7M Estimated Savings

15 Year Amortization = \$32.0M Estimated Savings



# Questions





**DATE:** February 8, 2019  
**TO:** Finance, Budget & Audit Standing Committee  
**FROM:** Anna Marie Gouveia, Operations Manager, Fixed Route Division  
**SUBJECT: CONSIDERATION OF THE BOARD OF DIRECTORS TO FUND THE ASSISTANT SAFETY AND TRAINING COORDINATOR POSITION**

## **I. RECOMMENDED ACTION**

**That the Finance, Budget and Audit Standing Committee recommend that the Board of Directors authorize funding the position of Assistant Safety and Training Coordinator to give urgently needed assistance for the Training of New Bus Operators and ongoing retraining of current Bus**

## **II. SUMMARY**

- The position of Assistant Safety and Training Coordinator is an authorized position within Operations which needs to be funded and filled to deliver ongoing training and certifications of all Transit Bus Operators and Commercial Licensed Drivers, totaling 220 employees.
- Currently the Safety and Training Coordinator has been handling all aspects of training without assistance. Meeting the training demands is extremely challenging for one person and at times impossible, creating additional duties for Supervisorial Staff.
- The Assistant Safety and Training Coordinator will enable consistent, current and up to date maintenance of all Commercial Drivers as well as refresher training for Operators to maintain a current license and safe driving practices.

## **III. DISCUSSION/BACKGROUND**

An additional Bus Operator Full Time Equivalent (FTE) was approved starting January 2019, in the FY19 budget year. However, as a result of an Operations Department Bus Operator staffing level review, it has been determined that it would be more effective to add an Assistant Safety & Training Coordinator rather than an additional Bus Operator FTE. Discussions were held with UTU leadership and they concur.

Operator training is continuous and ongoing. Adding an Assistant Safety and Training Coordinator to the current Safety and Training Coordinator would be beneficial to the Santa Cruz Metropolitan Transit District (METRO) and the community. A well-trained group of Bus Operators is able to safely utilize equipment, be trained to recognize and avoid hazards, have yearly reminders of

local, state and federal ADA laws and be retrained to avoid common costly mistakes through annual classroom transit training as required by the California Department of Motor Vehicles. There is an extensive and ongoing training demand for Bus Operator staff including Verification of Transit Training (VTT), training on new equipment, and new Bus Operator training which involves every aspect of Bus Operation including, but not limited to, familiarization with routes, and equipment on ten different types of buses currently in our fleet.

Additional training staff will improve the quality and timeliness of all types of training, supporting the overall goal of increased retention of quality employees/Bus Operators. This is particularly important as recent trends suggest that the newest generation of Bus Operators is not as willing as previous ones to accept overtime, which puts a further stress on Bus Operator staffing.

The duties of the proposed Assistant Safety and Training Coordinator position compliment the Safety and Training Coordinator and will ensure better quality Bus Operators as more time and attention will be given with two trainers. Additionally, the devoted time of an Assistant Safety and Training Coordinator will cut back on overtime and deficiencies in supervision when staff is stretched between working their shifts and assisting with training, as this need is constant.

The recurring training demands are not projected to lessen as METRO will be acquiring a significant number of new buses over the next few years and will always be dealing with vacancies created by retirements and staff lost for various other reasons.

METRO currently has one Safety & Training Coordinator. An Operations Department of over 150 Bus Operators needs to have more than one Safety and Training Coordinator. Some similar size peer agencies have a ratio of one trainer to every 50 Bus Operators.

Prior to 1989, METRO Operations had two bus yards, each with their own Safety and Training Coordinator, while having approximately the same number of Operators as today. Additionally, transit supervisor staff, which is instrumental in operator training, was also essentially double what it is today.

Staff recommends authorizing funding of the Assistant Safety and Training Coordinator to provide urgently needed assistance for the new and ongoing training of Bus Operators and unfunding one Fixed Route Bus Operator in FY19 and FY20.



#### **IV. FINANCIAL CONSIDERATIONS/IMPACT**

Funding in the estimated amount of \$47,000 was budgeted in FY19 (0.5 Bus Operator FTE). The Assistant Safety & Training Coordinator position will be budgeted in FY20 and FY21 for approximately \$140K.

#### **V. ALTERNATIVES CONSIDERED**

To not fund or fill the position of Assistant Safety and Training Coordinator and continue with the Safety and Training Coordinator conducting all aspects of Training and maintaining accurate records and licensing requirements for 220 employees.

- METRO Operations will continue to struggle to keep training up to date and current, as well as incur overtime costs when deadlines need to be met.
- Deficiencies and delays in training can result in an increase of liable accidents, customer service complaints, Operator injuries and FTA/DOT violations.

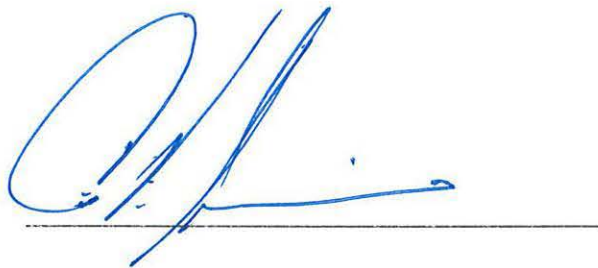
#### **VI. ATTACHMENTS**

**Attachment A:** Assistant Safety and Training Coordinator Job Description

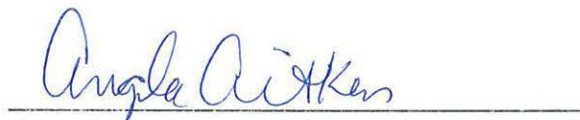
Prepared by: Anna Marie Gouveia, Operations Manager, Fixed Route Division

**VII. APPROVALS**

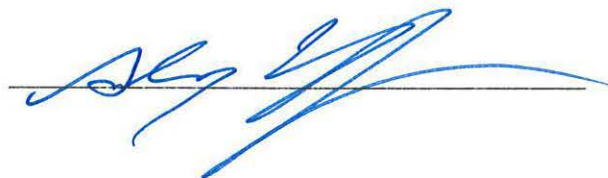
Ciro Aguirre, COO



Approved as to fiscal impact:  
Angela Aitken, CFO



Alex Clifford, CEO/General Manager





# Attachment A

## HUMAN RESOURCES DEPARTMENT

### Santa Cruz METRO

*Class Code: Class Code*  
*FLSA Status: Pending*

### **Assistant Safety and Training Coordinator**

#### **Bargaining Unit: PSA**

#### **DEFINITION:**

Under direction of the Safety and Training Coordinator, the Assistant Safety and Training Coordinator performs technical and instructional duties related to training and re-training Bus Operators and other Santa Cruz METRO staff in the proper and safe operation of transit buses and other Santa Cruz METRO vehicles in accordance with Federal, State and local laws as well Santa Cruz METRO policies, procedures and labor agreements; assists in the development of curriculum, lesson plans, and training/reference materials; performs related work as required.

#### **DISTINGUISHING CHARACTERISTICS:**

Assistant Safety and Training Coordinator is a supervisory level class in the series. An incumbent in this class performs a limited range of delivering required training programs for bus operators and other Santa Cruz METRO staff, performs other technical administrative duties while learning to perform the full scope of the Safety and Training Coordinator level work. This class is distinguished from the Safety and Training Coordinator position because an incumbent in the latter class performs the full scope of Safety and Training Coordinator level of planning, developing, and coordinating the delivery of required training programs for bus operators and other Santa Cruz METRO staff.

#### **EXAMPLES OF DUTIES AND RESPONSIBILITIES:**

*The duties listed below represent the various types of work that may be performed. The omission of specific statements of duties does not exclude them if the work is related or a logical assignment to this class.*

- Plans, coordinates and conducts training and re-training programs for Bus Operators and may assist in other department trainings;
- Maintains, updates, and compiles in accordance with Federal and State mandated bus operator programs and Santa Cruz METRO policies, procedures, and labor agreements.
- Assists with developing of and updating curriculum, lesson plans, training schedules and reference materials for Bus Operators, Transit Supervisors, and other Santa Cruz METRO employees; as needed, in conformance with state and federal guidelines and regulations, and with Santa Cruz METRO policies and procedures;
- Provides support to train and coordinate with Transit Supervisors who assist with training and retraining of Bus Operators and other Santa Cruz METRO employees.
- Performs ride checks during new Operator probation periods and in-service checks for veteran Operators;
- Provides retraining of qualified line instructors as needed; acts as the designated examiner in the testing and certification of Operators.
- Assists the Operations Manager with implementing the Department of Motor Vehicles (DMV) Employer Testing Program, including maintenance of examiner credentials;
- Assists with administering the DMV “pull program” by ensuring that all employees meet licensing requirements.
- Coordinates activities with Transit Supervisors who are certified to perform DMV exams; maintain related records; participates in CHP/DMV and other audits.



# Attachment A

## HUMAN RESOURCES DEPARTMENT

### Santa Cruz METRO

- Maintains accurate training records and documentation, including records of driver training hours, Verification of Transit Training (VTT) certification, and bus operator training certification.
- Provides input to the evaluation and observes driving skills of new Operators and evaluates Trainee Operators
- Provides recommendations regarding Operator retention based on training information;
- Participates in direct observations of Operator skills as required;
- Recommends corrective action or re-training as appropriate;
- Provides input on the selection of new Bus Operators as requested.
- May performs retraining with fully qualified Bus Operators/Line Instructors as directed or needed.
- Participates in selection of new bus operators.
- Provides period counseling and evaluations.
- Acts as the designated examiner in the testing and certification of Bus Operators.
- Makes recommendations regarding new bus operator retention based on training information.
- Participates in special projects.
- Participates in seminars and workshops as required in relations to the duties and functions of the position.
- Provides information to employees and the public.
- Operates standard office equipment; utilizes computer software in performing job tasks.
- Drives and Operates Santa Cruz METRO vehicles to perform assignments.
- Performs related work as required
- Responsible for the implementation of ongoing line-instruction program, including selection, training, and evaluation of the line instructor regarding monetary, grading, reporting, and program compliance criteria.
- Conducts verification of transit training (VTT) classes as required and provides customized trainings as required by Operations Manager, Assistant Operations Manager, or Maintenance Manager.
- Participates in development, revision and update of incident and accident investigation procedures and safety procedures
- Maintains record of Santa Cruz METRO accidents; prepares summary reports of accidents; and coordinates the accident review process
- Participates in the planning, organizing, and support of internal and external training activities.
- Provides training in escalated or emergency situations, as assigned.
- Reviews pull-notices and takes appropriate action when required.
- Upon request, provides technical training assistance, pull- notice review for the paratransit department.
- Enforces Santa Cruz METRO rules, policies, and procedures; applies provisions of Labor Agreements within the scope of duties.
- May represent Santa Cruz METRO at disciplinary hearing, legal proceedings, and other meetings, as required
- Under the direction of the Safety and Training Coordinator, incorporates information into training curriculum on new equipment, and changes in existing equipment.
- Communicates with orally with and in writing with Operations and other departments and agencies.
- May serve as a liaison with local emergency responders, such as police and fire, by providing information and orientation regarding Santa Cruz METRO vehicle fleet, fuels utilized, emergency access, and other public safety related information.



# Attachment A

## HUMAN RESOURCES DEPARTMENT

### Santa Cruz METRO

- May participate in committees and projects teams, may make recommendations related to safety, training, licensing requirements, accident investigations, and other position related topics as assigned;
- Serves as hazardous materials trainer for the Operations department.
- May assist with the development of departmental policies, procedures, programs, and budget on safety related issues in cooperation with the Safety, Security, and Risk Department.
- May assist in conducting surveys of other organizations to compile, and analyze data, prepare report and perform calculations, as needed.

#### **EMPLOYMENT STANDARDS:**

##### **Knowledge of:**

- Federal, State, and local laws and regulations regarding transit buses, including DMV and Federal Highway Administration laws pertaining to bus operator training and retraining.
- Current teaching theory, methods, and practices, as well as effective curriculum development.
- Defensive driving techniques.
- Safety and health-related regulations applicable to transit operations.
- Modern office practices, procedures, and equipment.
- Business correspondence, formatting and report writing.
- Manual and automated record-keeping and filing systems.
- Methods of maintaining information in digital or hard copy files.
- Professional methods of researching, gathering, organizing and reporting data.
- Methods of prioritizing, planning and organizing work.
- Advanced time management techniques.
- Customer service techniques.
- Intermediate mathematics including ratios, percentages, and intermediate statistics.
- Correct English usage, grammar, spelling, punctuation, and vocabulary.
- The effective use of modern office equipment, personal computers, and applicable standard business software; including audio/visual equipment.
- Basic mechanical features of transit buses.
- Safety and health related regulations.
- Motivate, train and evaluate staff
- Develop and write plans, procedures, reports, forms and test.
- Conduct field investigations to identify patterns and problems in areas and make recommendations.
- Principles of supervision, training, and employee development.
- Procedures of operator's evaluation, counseling and discipline.

##### **Ability to:**

- Provide transit bus operator training in accordance with Federal, State, and local laws as well as Santa Cruz METRO policies, procedures, and labor agreements.
- Read, review and apply laws, regulations and labor contract provisions.
- Instruct others in the safe operation of Santa Cruz METRO vehicles and adapt training procedures to the needs of the individual.
- Develop and write plans, procedures, reports, forms, and tests.
- Adhere to established work schedules and timelines.



# Attachment A

## HUMAN RESOURCES DEPARTMENT

### Santa Cruz METRO

- Work independently using good judgment, tact, and discretion.
- Balance multiple assignments simultaneously and effectively.
- Utilize standard office equipment and computer software and learn to use specialized Santa Cruz METRO software if assigned.
- Maintain confidentiality of materials, records, files, and other privileged information.
- Communicate clearly and effectively in both oral and written form.
- Establish and maintain effective working relationships within the department and with other divisions, departments, agencies, suppliers, vendors, and the public.
- Assist in the development of course curriculum and lesson plans.
- Assist in the development and presentation of customized training.

#### **MINIMUM QUALIFICATIONS:**

*Any combination of experience and education that would likely provide the required knowledge and abilities is qualifying. A typical way to obtain the knowledge and abilities would be:*

#### **Education, Training and Experience:**

Two (2) years course work from an accredited college.

Additional directly related experience beyond the minimum requirements may be substituted for the required education based on the ration of one and a half (1.5) years of experience for each one (1) year of experience for each one (1) year of education.

**AND**

One (1) year of experience developing and presenting driver safety and training programs, preferably with a public bus transportation system.

**OR**

Three (3) years of experience as a transit supervisor for a medium to a large agency providing bus transportation, including responsibility for driver training and VTT training.

#### **LICENSES AND CERTIFICATES:**

A valid California Class “B” Commercial Driver’s License with a “P” passenger endorsement will be required at the time of appointment and throughout employment.

**AND**

Verification of Transit Training (VTT), and an acceptable safe driving record/history is required at the time of appointment.

**AND**

Possession of a California State Bus Driver Training Instructor Certificate from the Department of Education at time of appointment.



**Attachment A**  
**HUMAN RESOURCES DEPARTMENT**  
**Santa Cruz METRO**

Upon hire, an employee will be required to successfully complete the Department of Transportation (DOT) transit instruction course.

**OR**

Possession of a Department of Transportation Instructor Credential to teach VTT classes at the time of appointment.

**SPECIAL REQUIREMENTS:**

- Driving record will be reviewed as part of the application process and throughout employment.

**PHYSICAL AND MENTAL DEMANDS:**

*The physical and mental demands described here are representative of those that must be met by employees to successfully perform the essential functions of this class. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.*

**Physical Demands**

While performing the duties of this job, the employee is regularly required to sit, walk, climb, bend, kneel, and stand; talk and hear; use hands to manipulate, handle, feel or operate objects, tools or controls; reach with hands and arms; and perform repetitive movements of hands or wrists. The employee is regularly required to bend and twist at the neck and occasionally reach overhead. Work may require lifting up to 50 pounds unaided. Specific visual abilities required for this job include close vision, distance vision, the ability to see colors and shades, and the ability to perceive depth.

**Mental Demands**

While performing the duties of this job, an employee uses written and oral communication skills; reads and interprets data, information and documents; solves problems; uses math and mathematical reasoning; performs detailed work; deals with multiple concurrent tasks; and interacts with others encountered in the course of work.

**Work Environment:**

The employee typically works in an office environment where the noise level is quiet. The employee frequently works in a field environment with potential exposure to varied weather conditions, dust, fumes, and hazardous materials and where the noise level is loud.

**OTHER CONDITIONS OF EMPLOYMENT:**

- Must pass requisite background check.
- This position is considered a safety sensitive position and requires participation in Santa Cruz METRO’s drug and alcohol testing program.
- May occasionally work extended hours or hours outside of regular schedule.

\*Adopted: 12-11-18  
\*BOD Approved: 00-00-00  
\*Revised: 00-00-00  
\*Job Family: Administrative Technical  
\*Job Series: Safety and Training  
\*Job Series Level: Supervisor  
\*Confidential: No

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