



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)  
FINANCE, BUDGET, AND AUDIT STANDING COMMITTEE  
MEETING MINUTES\*  
MAY 9, 2025 – 8:00 AM**

A regular meeting of the Finance, Budget, and Audit Standing Committee of the Santa Cruz Metropolitan Transit District (METRO) was convened on Friday, May 9, 2025.

The Committee Meeting Agenda Packet can be found online at [www.SCMTD.com](http://www.SCMTD.com).

\*Minutes are “summary” minutes, not verbatim minutes. Audio recordings of Board meeting open sessions are available to the public upon request.

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**1 CALLED TO ORDER** by Director Kalantari-Johnson at 8:04 AM.

**2 SAFETY DEBRIEF**

Gregory Strecker, Safety, Security & Risk Management Director, provided a debriefing on safety, emphasizing the evacuation routes in response to an emergency.

**3 ROLL CALL:**

The following Directors were **present**, representing a quorum:

**Director Shebreh Kalantari-Johnson**

**Director Manu Koenig**

**Director Fabian Leonor**

**Director Donna Lind AR 8:06AM**

Director Mike Rotkin

**City of Santa Cruz**

**County of Santa Cruz**

**County of Santa Cruz**

**City of Scotts Valley**

County of Santa Cruz

Corey Aldridge

Julie Sherman

METRO CEO/General Manager

METRO General Counsel

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

Hearing none, Director Kalantari-Johnson moved to the next agenda item.

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

Having none, Director Kalantari-Johnson moved to the next agenda item.

**6 REVIEW AND RECOMMEND APPROVAL OF THE SANTA CRUZ METRO’S FY26 AND FY27 OPERATING BUDGETS AND FY26 CAPITAL BUDGET PORTFOLIO**

Chuck Farmer, CFO, spoke to the presentation. He focused on changes from the March budget to the operating and non-operating revenue and expenses, funding sources, and the FY26 capital budget/portfolio. He mentioned that METRO is working on an IRS rebate available for the hydrogen buses. He also reviewed the operating and non-operating revenue and expense assumptions,

Discussion followed on:

- Head count reduction
- Measure D/Sales tax
- Funding shift from the Santa Cruz County Regional Transportation Commission (SCCRTC)
- Advocating and collaborating with SCCRTC for additional funding
- Destruction of old buses
- Reduced fuel costs
- Budgeting for proposed 2026 sales tax measure
- Passenger fares
- Hydrogen vehicle mileage range
- Non-Personnel levels

Staff addressed all concerns.

There were no public comments.

Hearing nothing further, Director Kalantari-Johnson called for a voice vote.

**MOTION: RECOMMEND APPROVAL OF SANTA CRUZ METRO'S FY26 & FY27 OPERATING BUDGETS AND FY26 PRELIMINARY CAPITAL BUDGET PORTFOLIO TO THE FULL BOARD AS PRESENTED**

**MOTION: DIRECTOR LIND**

**SECOND: DIRECTOR KOENIG**

**MOTION PASSED WITH 4 AYES (Directors Kalantari-Johnson, Koenig, Leonor, and Lind). Director Rotkin was absent.**

**7 YEAR-TO-DATE MONTHLY FINANCIAL REPORT AS OF APRIL 30, 2025**

Chuck Farmer, CFO, spoke to the presentation. He reviewed the April year-to-date operating revenues and expenses, as well as the capital budget spends.

Discussion followed on:

- Buses parked at Watsonville property.
- Plans to go from leasing to purchasing the Watsonville property

Staff addressed all concerns.

There were no public comments.

Hearing nothing further, Director Kalantari-Johnson moved to the next agenda item.

**8 KEY PERFORMANCE INDICATORS (KPI) REPORT FOR 3<sup>RD</sup> QUARTER THROUGH MARCH 31, 2025**

Kristina Mihaylova, Finance Deputy Director, spoke to the presentation and provided an overview on farebox recovery, fixed route and ParaCruz costs per revenue service hours (RSH). John Urgo, Chief Planning and Innovation Officer, reported on the ridership trends for total ridership and the breakdown of UCSC, Cabrillo College, Highway 17, and local ridership. He also reviewed the YTD FY25 passengers/service hours by route. Gregory Strecker, Safety, Security, and Risk Management Director, introduced a new way of capturing the traffic accidents and passenger incidents for fixed route and ParaCruz for the quarter and the average year-to-date figures. Ms.

Mihaylova covered the chargeable road calls for fixed route, Highway 17, and ParaCruz. Margo Ross, Chief Operations Officer, reported on the cancelled trips by cause and region and pass-ups on fixed route and UCSC as well as year-to-date totals by route.

Discussion followed on:

- Factors considered in passenger incidents
- Defining a chargeable road call
- Decrease in cancellation of routes
- Average time a bus is in the Maintenance Department
- Number of Mechanics on staff
- Commissioning temporary hydrogen fueler and getting the hydrogen buses into service
- Hydrogen buses received to date
- Request for a timeline showing the rollout of the hydrogen buses

Staff addressed all concerns.

There were no public comments.

Hearing nothing further, Director Kalantari-Johnson moved to the next agenda item.

## **9 ADJOURNMENT**

Director Kalantari-Johnson adjourned the meeting at 9:25 AM.

Respectfully submitted,

Donna Bauer  
Sr. Executive Assistant