

A Note from the CEO

In this issue, I'd like to introduce our Board of Directors Chair, Jimmy Dutra:

Santa Cruz METRO's Dramatic Recovery Maintains Viable Public Transit Options for Santa Cruz County Residents

Three years ago, in 2014, **Santa Cruz METRO**, your county public transit system, was in dire financial straits, with insolvency being a real threat within a couple of years.

As a result of the Great Recession, **METRO** received \$26 million less in sales tax revenue than forecasted from 2008-2014. This required **METRO** to spend almost \$22 million in reserves and other non-recurring revenues to maintain its level of bus service. Due to this economic downturn, **METRO** was unable to maintain and upgrade its bus fleet. Of its 100 buses, almost 60 need to be replaced now.

Despite these enormous challenges, and contrary to inaccurate assertions in a recent Grand Jury report suggesting that **METRO** was not doing a good job, **METRO** is back on its feet financially. It has been a hard three years at **METRO** with financial belt tightening, a 19% service reduction in September 2016, and difficulties meeting service needs during the 2016-17 harsh winter.

However, with community support including voters' passage of **Measure D**, **UCSC**, and **Cabrillo College** students' funding of a student bus pass program, we are on a path to long-term financial viability, as long as outside factors remain fairly constant.

This summer **METRO** adopted a new balanced two-year budget and five-year plan, which will not draw on limited remaining reserves. We have recently completed a **Comprehensive Operations Analysis** which helps us target new service and with the passage of **Measure D**, we have added new service to our system. In addition, **METRO** saved over \$1 million in last year's \$50 million operating budget, which we can now re-allocate to rebuild financial reserves to appropriate levels, as well as begin to improve the bus fleet, which is threatening to become the limiting factor in **METRO** ability to provide service the community needs and wants.

For the immediate future, two primary new funding sources have saved **METRO** and the community from further service reductions:

- **Passage of Measure D:** County transportation sales tax measure which is anticipated to provide an additional \$3 million annually; and,
- **Adoption of State Bill #1:** State dollars projected to provide an additional \$2 million annually

Together these new funding sources have allowed **METRO** to maintain its current bus service level, helped avoid employee layoffs, and put more money towards buying new clean energy buses.

METRO is on a road to recovery due to strong support from the community. As we make changes in the future, we will build on the input we have received and zealously follow the directions of the priorities laid out by the voters. In the near-term, **METRO** looks to provide additional capacity incrementally in the most needed corridors and expand daily service hours where possible to increase our riders' ability to access jobs and other trips which don't fit into traditional morning and afternoon commute periods.

The loss of a community bus service which provides over 5 million trips annually would have a major impact to the economy and environment. Every weekday, approximately 17,000 trips are made between homes, jobs, schools, medical, shopping—primarily by people with limited transportation options. Almost 80% of **METRO** riders do not have access to private transportation; they use **METRO** at least 5 days a week. Over 750,000 of **METRO's** annual boardings are by senior and disabled riders along with another 85,000 who use **ParaCruz**, **METRO's** door-to-door paratransit van service.

METRO continues to need and welcome the support and partnership of other agencies in the County, as well as community support. Together we can ensure a future where **METRO** provides a viable bus service alternative option to that of the private automobile for those who need the bus service, as well as want it.

Jimmy Dutra, Chair, Santa Cruz Metropolitan Transit District Board of Directors



Alex Clifford,
CEO of Santa Cruz METRO

