



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)
FINANCE, BUDGET AND AUDIT STANDING COMMITTEE AGENDA
FEBRUARY 14, 2025 – 8:00 AM
HYBRID MEETING**

Members of the public may attend in-person or participate remotely via Zoom.

**METRO Admin Office
110 Vernon Street
Santa Cruz, CA 95060**

**Zoom [Link](#)
Dial In: 1-669-900-9128
Meeting ID: 810 6812 2293
Passcode: 158987**

The Finance, Budget and Audit Standing Committee Meeting agenda packet can be found online at www.SCMTD.com and is available for inspection at Santa Cruz METRO's Administrative Office at 110 Vernon Street, Santa Cruz.

Public comment may be submitted via email to boardinquiries@scmttd.com. Please indicate in your email the agenda item to which your comment applies. Comments submitted before the meeting will be provided to the Directors before or during the meeting. Comments submitted after the meeting is called to order will be included in the Board's correspondence that is posted online at the Board meeting packet link. Oral public comments will also be accepted during the meeting through Zoom. Each public comment is limited to three minutes or less. Board and Committee Chairs have the discretion to manage the public comment process in a manner that achieves the purpose of public communication and assures the orderly conduct of the meeting.

The Committee may take action on each item on the agenda. The action may consist of the recommended action, a related action or no action. Staff recommendations are subject to action and/or change by the Board of Directors.

COMMITTEE ROSTER

Director Shebreh Kalantari-Johnson	City of Santa Cruz
Director Manu Koenig	County of Santa Cruz
Director Donna Lind	City of Scotts Valley
Director Mike Rotkin	County of Santa Cruz
Corey Aldridge	CEO/General Manager
Julie Sherman	General Counsel

SECTION I: OPEN SESSION

NOTE: THE COMMITTEE CHAIR MAY TAKE ITEMS OUT OF ORDER

1 CALL TO ORDER

2 SAFETY DEBRIEF

Gregory Strecker, Safety, Security & Risk Management Director

3 ROLL CALL

4 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, which is within the subject matter jurisdiction of the Board. No action or discussion shall be taken on any item presented except that any Director may respond to statements made or questions asked, or may ask questions for clarification. All matters of an administrative nature will be referred to staff. Each public comment is limited to three minutes or less. Board and Committee Chairs have the discretion to manage the public comment process in a manner that achieves the purpose of public communication and assures the orderly conduct of the meeting. When addressing the Board, the individual may, but is not required to, provide his/her name and address in an audible tone for the record.

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

6 APPROVE: CONSIDERATION OF AUTHORIZING THE CEO/GENERAL MANAGER TO ENTER INTO A SHORT-TERM LINE OF CREDIT LOAN

Chuck Farmer, Chief Financial Officer

7 YEAR-TO-DATE MONTHLY FINANCIAL REPORT AS OF JANUARY 31, 2025

Chuck Farmer, Chief Financial Officer

8 YEAR-TO-DATE KEY PERFORMANCE INDICATORS (KPI) REPORT FOR 2ND QUARTER FY25 THROUGH DECEMBER 31, 2024

Chuck Farmer, Chief Financial Officer

9 ADJOURNMENT

ACCESSIBILITY FOR INDIVIDUALS WITH DISABILITIES

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PUBLIC COMMENT

If you wish to address the Board, please follow the directions at the top of the agenda. If you have anything that you wish distributed to the Board and included for the official record, please include it in your email. Comments that require a response may be deferred for staff reply.

Pursuant to Section 54954.2(a)(1) of the Government Code of the State of California, this agenda was posted at least 72 hours in advance of the scheduled meeting at a public place freely accessible to the public 24 hours a day. The agenda packet and materials related to an item on this agenda submitted after distribution of the agenda packet are available for public inspection in the Santa Cruz METRO Administrative Office (110 Vernon Street, Santa Cruz) during normal business hours. Such documents are also available on the Santa Cruz METRO website at www.scmtd.com subject to staff's ability to post the document before the meeting.

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DATE: February 14, 2025
TO: Finance, Budget and Audit Standing Committee
FROM: Chuck Farmer, Chief Financial Officer
**SUBJECT: CONSIDERATION OF AUTHORIZING THE CEO/GENERAL MANAGER
TO ENTER INTO A SHORT-TERM LINE OF CREDIT LOAN**

I. RECOMMENDED ACTION

That the Finance, Budget and Audit Standing Committee receive and recommend approval to the full Board authorizing the CEO/General Manager to enter into a short-term line of credit.

II. SUMMARY

- METRO will be getting 53 Hydrogen Buses through June/July 2025
- Fueling for the buses will not be 100% available until after March 2026
- A portion of the bus reimbursement will be delayed until after March 2026
- METRO will need to float ~\$20 million of cash until reimbursement
- Requesting a line of credit from a bank in the amount up to \$25 million to cover this period until all reimbursements are received by METRO

III. DISCUSSION/BACKGROUND

METRO entered into a contract with New Flyer for the purchase of forty-four (44) 40-foot and nine (9) 60-foot hydrogen buses in December 2023. The price ranges from \$1.5 million to \$2.2 million.

Funding for the buses comes from Federal, TIRCP, STA-SGR, Measure D, HVIP and the VW Mitigation Fund.

The reimbursement for the buses is different among the funding sources. Federal can be pulled down within a week. STA-SGR and Measure D are already in METRO's bus replacement fund account. TIRCP is submitted quarterly after we accept a bus and then paid between 30-90 days later. HVIP is paid directly to New Flyer and METRO pays the remaining balance at the time of acceptance. The final payment is the VW Mitigation Fund, \$480,000 per bus, and is paid 90 days after METRO takes a bus out of service and has it destroyed.

Over the past few months, it has become known METRO will not have 100% fueling capabilities for all hydrogen buses. The fueling will not be available until after March 2026. METRO will need to keep the old buses in service until the fueling infrastructure is completed. This means METRO will not be able to submit for reimbursement to the VW Mitigation Fund until next year.

This delay in funding will mean METRO will float \$480,000 per bus for 12 months or more. The total amount eligible for the funding is 52 buses or approximately \$25 million.

METRO's cash position is good but not high enough to absorb 12 plus months of \$25 million depletion of funding. Therefore, METRO is requesting the standing committee authorize the CEO/General Manager to negotiate with banks to provide a line of credit for up to \$25 million. Not all the funding will be drawn down but will be used if the cash account drops below \$5 million.

IV. STRATEGIC PLAN PRIORITIES ALIGNMENT

This report pertains to METRO's:

- Financial Stability, Stewardship & Accountability
- Service Quality and Delivery.

V. FINANCIAL CONSIDERATIONS/IMPACT

Funding for the line of credit is estimated as follows:

Loan Initiation Fee at 0.25%	\$62,500
Other Fees Estimated	\$25,000
Federal Funds Rate + 2%	\$1,050,000
Total Cost of Borrowing	<u>\$1,137,500</u>

The cost of borrowing above is based on a \$25 million line of credit at 7% interest rate.

VI. ALTERNATIVES CONSIDERED

Not moving forward with the line of credit will financially constrain METRO to a point fueling infrastructure and other projects could be put on hold.

VII. ATTACHMENTS

Attachment A: Presentation – METRO Short Term Cash Flow Line of Credit

Prepared by: Chuck Farmer, Chief Financial Officer

VIII. APPROVALS

Chuck Farmer, Chief Financial Officer



Approved as to fiscal impact:
Chuck Farmer, Chief Financial Officer



Corey Aldridge, CEO/General Manager



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METRO Short Term Cash Flow Line of Credit

Finance, Budget and Audit Standing Committee

February 14, 2025

Chuck Farmer, Chief Financial Officer

Overview

- **Delivery, Acceptance and Destruction of Old Buses**
 - Projected to receive and accept 53 Hydrogen Buses through the end of Summer 2025
 - Already received 7 Buses with 2 in the Acceptance stage
 - 52 of the 53 Hydrogen Buses require a matching existing bus to be taken out of service and destroyed to receive \$480,000 per bus from the VW Mitigation Fund
- **Timing of Fueling and Buses Taken Out of Service**
 - Expected to have the Temporary Fueler ready by Mid Summer with up to 10 buses for fueling
 - The Permanent Fueler will not be ready until March 2026
 - METRO will need to keep existing buses in use until post March 2026 (Delay in VW Mitigation funding)

Expected Delivery Schedule/Acceptance of Buses

Schedule of Buses

	Nov	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
Final Total Buses																
Old	89	87	79	74	74	74	74	74	74	74	74	74	74	74	74	
OCTA	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	
Hydrogen	8	16	23	31	38	44	44	44	44	44	44	44	44	44	44	
Hydrogen - Artic	0	0	1	0	5	8	9	9	9	9	9	9	9	9	9	
Electric - Gillig	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	
Electric - Protera	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	
Artics	13	13	13	13	13	13	13	13	13	13	13	13	13	13	13	
Total	132	138	138	140	152	161	162	162	162	162	162	162	162	162	162	
Final Buses in Service																
Old	53	58	58	58	58	58	58	58	55	50	50	50	49	49	49	
OCTA	0	5	10	10	10	10	10	10	10	10	10	10	10	10	10	
Hydrogen	0	0	0	0	0	0	0	0	3	8	8	8	6	6	6	
Hydrogen - Artic	0	0	0	0	0	0	0	0	0	0	0	0	3	3	3	
Electric - Gillig	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	
Electric - Protera	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Artics	4	6	7	7	7	7	7	7	7	7	7	7	7	7	7	
Total	60	72	78	78	78	78	78	78	78	78	78	78	78	78	78	

- **Total Buses in Service needs to be at least 78**
- **Hydrogen Buses in use only 9 due to fueling constraints**
- **15 Old Buses taken out of service**

Hydrogen Buses Delivered and Placed Into Service

	Now	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	March and Beyond
Buses Delivered															
Hydrogen	8	8	7	8	7	6									
Hydrogen - Artic			1		4	3	1								
Total	8	8	8	8	11	9	1	0	0	0	0	0	0	0	0
Buses in Service															
Hydrogen									3	5			-2		38
Hydrogen - Artic													3		6
Total	0	0	0	0	0	0	0	0	3	5	0	0	1	0	44
Total Buses in Service									3	8	8	8	9	9	53

- **All 53 Hydrogen Buses Delivered before Placed In Service**
- **Only a maximum of 9 Buses will be in Service at any given time due to Fueling availability**
- **44 Buses will start to be Placed In Service after the Permanent Fueling Station is up and operating**
- **Note: All 53 Buses will be cycled in Service until the Permanent Fueling Station is up and operating**

Current Cash Available For Use By METRO

Operating Reserves as of 01/31/2025:

\$2.6M



Fully Funded

\$1.0M



Fully Funded

\$19.7M



Fully Funded

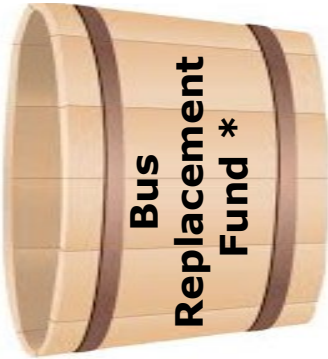
\$3.0M



Fully Funded

No minimum Balances for these Funds

\$10.9M



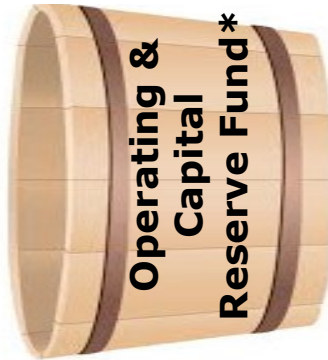
\$10.0M



\$18.5M



\$15.4M



*Balances in the various Reserve categories are aligned with METRO Reserve Fund policy (revised and adopted by the Board on Nov 15, 2019)
 Bus Replacement Fund – Minimum \$3M annual commitment from Measure D sales tax and STA-SGR
 UAL & OPEB – Minimum \$2M annual commitment

Hydrogen Funding and Cash Flow

Hydrogen Bus Funding

	Federal Funds	TIRCP	LPP	STA-SGR (SB1)	Measure D Including Wraps	VW Mitigation Fund	HVIP	Total
40 Ft								
2	\$246,994	\$0	\$918,000	\$0	\$272,928	\$960,000	\$516,000	\$2,913,922
22	\$1,680,000	\$13,178,000	\$0	\$739,156	\$220,000	\$10,560,000	\$5,676,000	\$32,053,156
3	\$1,680,000	\$0	\$0	\$0	\$476,883	\$1,440,000	\$774,000	\$4,370,883
4	\$2,795,844	\$0	\$0	\$0	\$80,000	\$1,920,000	\$1,032,000	\$5,827,844
13	\$730,036	\$0	\$0	\$2,710,858	\$5,905,601	\$6,240,000	\$3,354,000	\$18,940,495
44	\$7,132,874	\$13,178,000	\$918,000	\$3,450,014	\$6,955,412	\$21,120,000	\$11,352,000	\$64,106,300
60 Ft								
1	\$1,819,753				\$328,012	\$0	\$0	\$2,147,765
8	\$11,674,120				\$120,000	\$3,840,000	\$1,548,000	\$17,182,120
9	\$13,493,873	\$0	\$0	\$0	\$448,012	\$3,840,000	\$1,548,000	\$19,329,885
Total	\$20,626,747	\$13,178,000	\$918,000	\$3,450,014	\$7,403,424	\$24,960,000	\$12,900,000	\$83,436,185

- Total Funding for Hydrogen Buses \$83.4 Million
- \$25.0 Million from VW is the main problem for METRO on receiving reimbursement

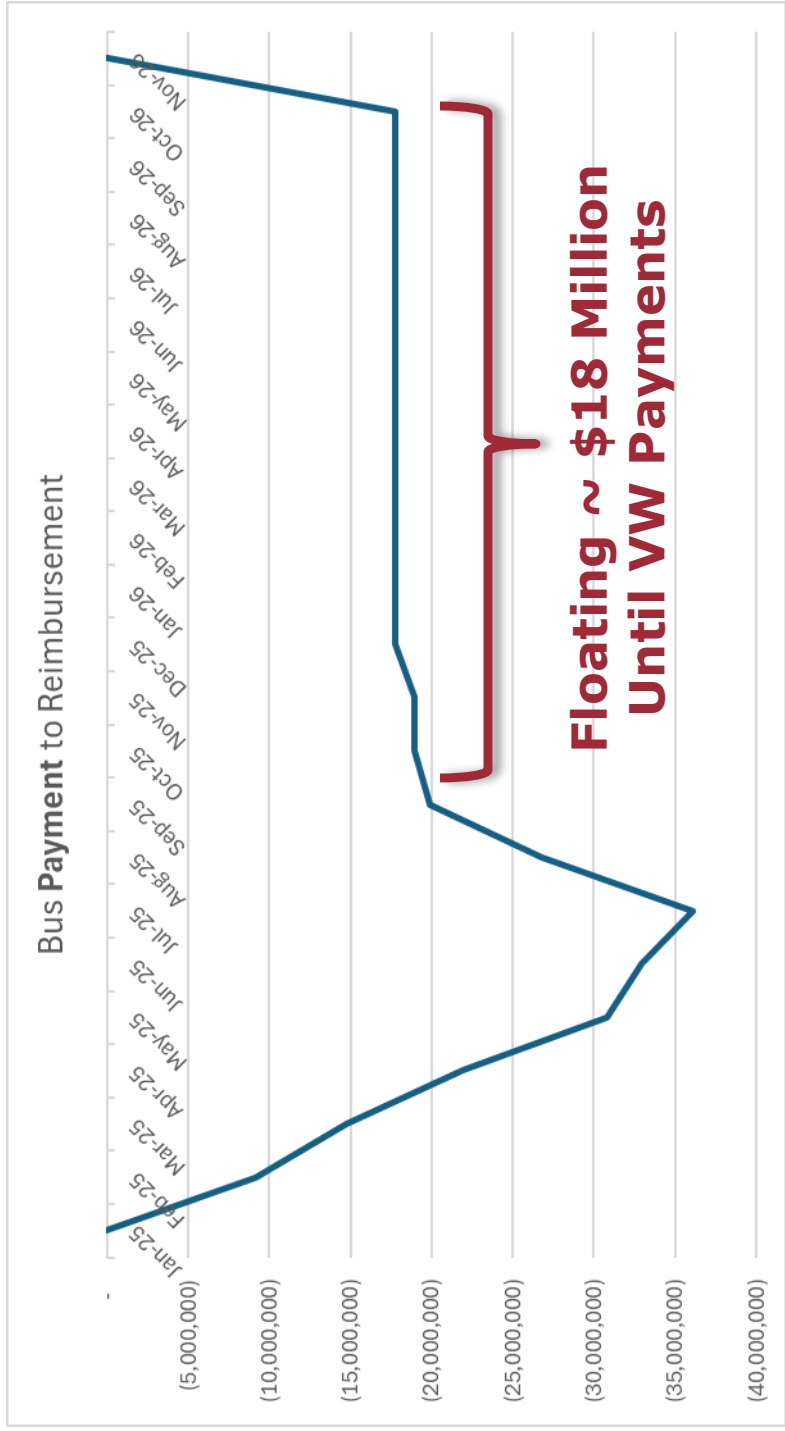
Timing of Cash Reimbursement for Hydrogen Buses

- **Timing of Expected Cash from External Sources**
- **HVIP is Paid to New Flyer and METRO is Responsible for the Rest**

Federal Funding	\$20,626,747	Within 1 Week of Acceptance
TIRCP	\$13,178,000	Quarterly Submission with 60 days for Reimbursement
LPP	\$918,000	Could Be Up To 9 Months Or More
STA-SGR (SB 1)	\$3,450,014	Already in METRO Bank Account
Measure D Including Wraps	\$7,403,424	Already in METRO Bank Account
VW Mitigation Fund	\$24,960,000	Based on Old Bus Taken Out of Service + 90 Days Post Destruction
METRO Payments	\$70,536,185	Amount METRO Pays for Buses at Acceptance
HVIP	\$12,900,000	Paid Directly to New Flyer
Total	\$83,436,185	

Cash Flow for Hydrogen Buses

	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Nov-26
Payments by METRO	(10,790,652)	(9,591,691)	(10,790,652)	(13,543,221)	(13,121,063)	(12,698,905)	-	-	-	-	-	-	-
Reimbursements	1,655,409	3,999,336	3,587,380	4,663,047	11,007,325	9,511,424	9,347,765	6,888,500	918,000	-	1,198,000	-	17,760,000
Net	(9,135,244)	(5,592,355)	(7,203,273)	(8,880,174)	(2,113,738)	(3,187,481)	9,347,765	6,888,500	918,000	-	1,198,000	-	17,760,000



• Cash Flow to (\$36.1M) in July 2025

Request For A Line Of Credit

Line of Credit Costs - Estimated

- **Borrowing based on a 1 year \$15 Million used by METRO to cover Cash Flow**
- **Borrowing rate estimated to be "all in" at 7%**

Loan Initiation Fee at 0.25%	\$62,500
Other Fees Estimated	\$25,000
Federal Funds Rate + 2%	\$1,050,000

Total Cost of Borrowing

\$1,137,500

- **Total Cost of Borrowing is \$1.1 Million**
- **Funding will only be used if we project cash will drop below \$5 - \$10 Million**

Request Approval for Funding

- **METRO has a short-term Cash Flow problem due to timing of receiving the reimbursement of the VW Mitigation Fund**
- **Solution for METRO to establish a Line of Credit**
- **The Line of Credit will be used when Available Cash drops below \$5 to \$10 Million**
- **Estimated Costs for the Line of Credit are as follows:**
 - **Borrowing of \$25 million**
 - **Fees include Initiation of 0.25% and other totaling around \$90,000**
 - **Borrowing rate estimated to be Federal Funds Rate plus 2% (around 7% today)**



Year to Date Monthly Financial Report as of January 31, 2025

Finance, Budget & Audit Standing Committee

February 14, 2025

Chuck Farmer, Chief Financial Officer

January 2025 Key Financial Highlights

<p>Service</p>	<ul style="list-style-type: none"> • Fixed Route (including Hwy 17) Cost per Revenue Service Hour is \$244 vs Budget of \$329 <ul style="list-style-type: none"> • 17 canceled trips, primarily due to mechanical issues (16), no vehicle (1), ParaCruz Cost per Trip is \$91 vs Budget of \$88 • Non-Student/Hwy 17 Passengers is 107,226 vs Budget of 102,137 • Kids Ride Free is 27,397
<p>Financials</p>	<ul style="list-style-type: none"> • Total Operating Surplus/(Deficit) is favorable \$1.0M driven by lower wages of \$0.3M, fringe of \$0.4M, and non-personnel of \$0.3M; partially offset by higher OT of \$0.1M • Non-Operating Revenues/Expenses of \$3.0M are favorable vs budget by \$15K driven primarily by slightly higher than anticipated interest income and Sales Tax revenues; partially offset by higher Retiree Obligations
<p>Capital</p>	<ul style="list-style-type: none"> • Capital spending of \$67K primarily for Watonsville Station Redevelopment, Hydrogen Fueling Station, and Web Site Redesign
<p>Personnel</p>	<ul style="list-style-type: none"> • 410 Active Personnel vs 443* Funded Personnel <ul style="list-style-type: none"> • 39 Vacancies at the end of January • Currently Recruiting for Parts & Materials Clerk, Grants/Legislative Analyst, Vehicle Service Worker I/II, Vehicle Service Detailer, Mechanic I/II, Planning Data Analyst • Recruitment completed for Mechanic I/II (2 FTE), Mechanic III

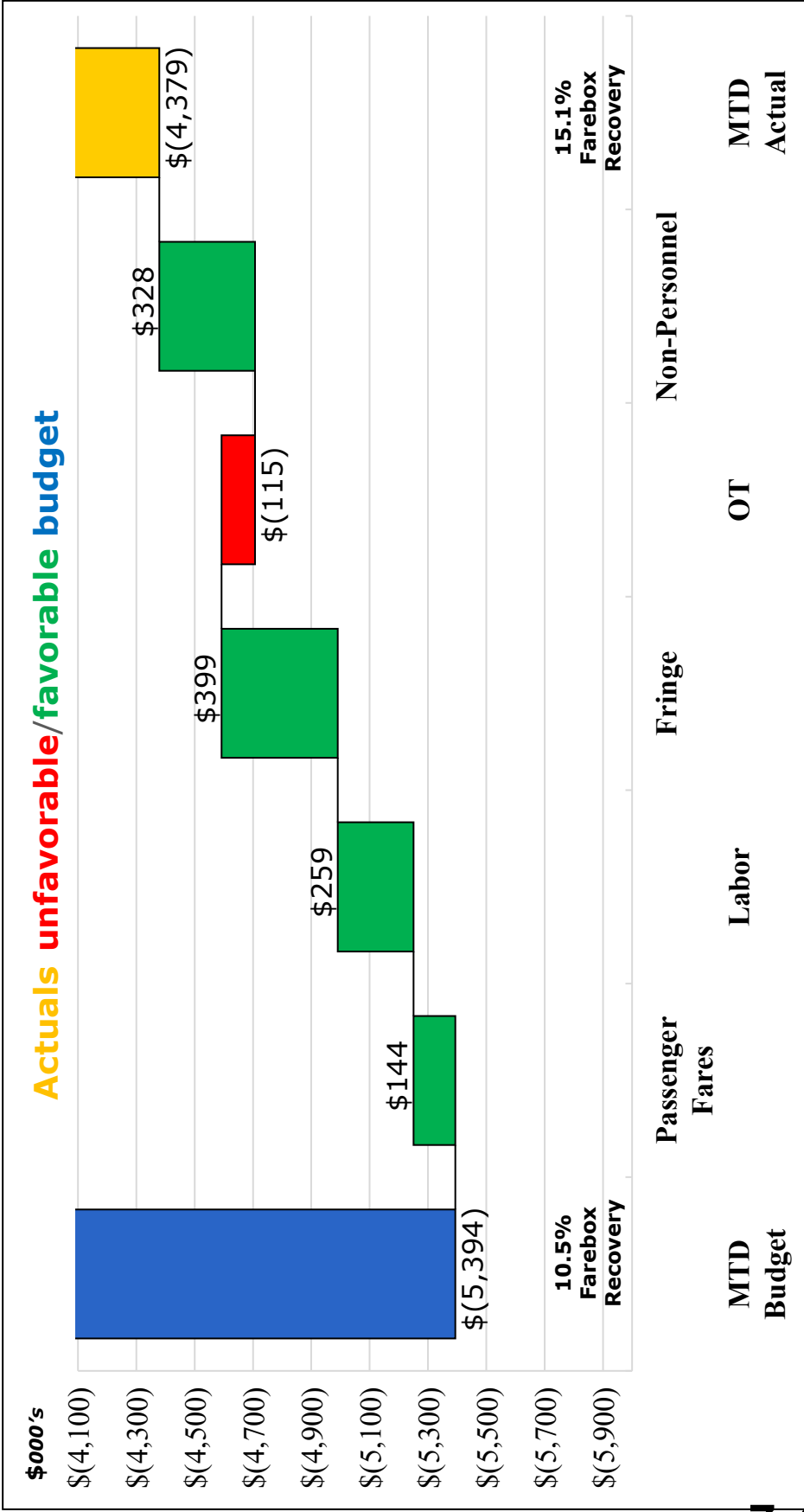
* Reflects adopted, funded personnel as of September 2024

January 2025, MTD Pre-Close Financials

January FY25 Monthly Operating Surplus/(Deficit)

Actual* vs. Budget

Overall \$1.0M favorable



* Pre-close financials, subject to adjustments post close; may not foot due to rounding

January 31, 2025

Monthly Operating Revenue and Expenses

\$ 000's	Actual*	Budget	Fav / (Unfav)
Operating Revenue			
Passenger Fares	\$ 297	\$ 166	\$ 131
Special Transit Fares	482	469	13
Total Operating Revenue	\$ 779	\$ 635	\$ 144
Operating Expense			
Labor - Regular	\$ 2,085	\$ 2,345	\$ 259
Fringe	1,730	2,129	399
Labor - OT	190	75	(115)
Non-Personnel	1,154	1,481	328
Total OpEx	\$ 5,159	\$ 6,030	\$ 871
Operating Surplus/(Deficit)	(\$ 4,380)	(\$ 5,394)	\$ 1,015
	15.1%	10.5%	4.6%
<i>Farebox Recovery</i>			
Non-Operating Revenue/(Expense)			
Sales Tax/including Measure D	\$ 2,431	\$ 2,424	\$ 8
Federal/State/Local Grants	900	900	(0)
Pension Bond Payment/UAL	(168)	(170)	2
Retiree Obligations	(394)	(381)	(13)
All Other	256	237	19
Total Non-Operating Revenue/(Expense)	\$ 3,025	\$ 3,010	\$ 15
Operating Surplus/(Deficit) before Transfers	(\$ 1,355)	(\$ 2,384)	\$ 1,030
Transfers and Other			
Transfers to Bus Replacement Fund	(\$ 304)	(\$ 179)	(\$ 125)
Operating Surplus/(Deficit) after Transfers	(\$ 1,659)	(\$ 2,563)	\$ 905

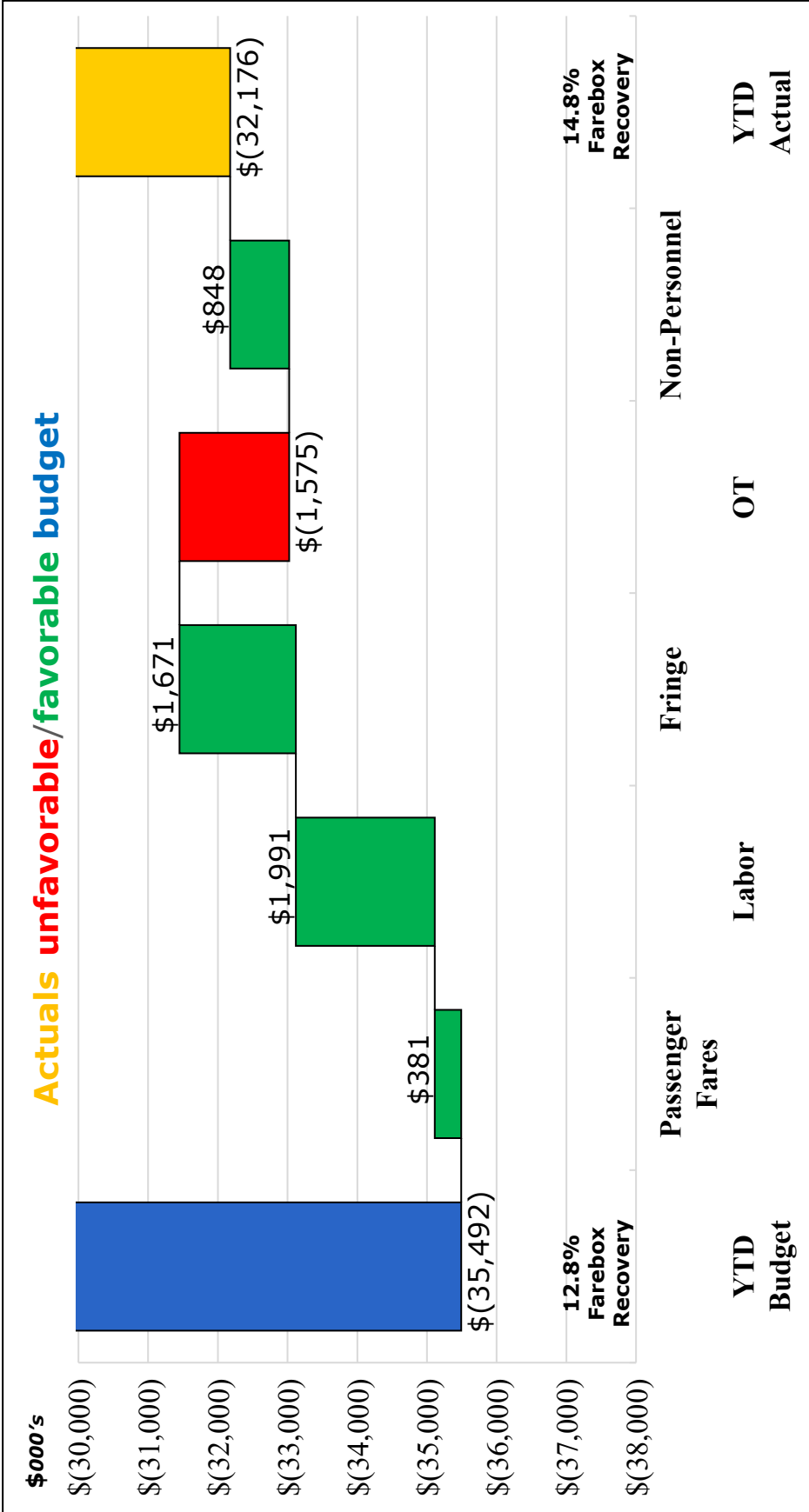
- Total Operating Surplus/(Deficit) is favorable \$1.0M driven by lower wages of \$0.3M, fringe of \$0.4M, and non-personnel of \$0.3M; partially offset by higher OT of \$0.1M
- Non-Operating Revenues/Expenses of \$3.0M are favorable vs budget by \$15K driven primarily by slightly higher than anticipated interest income and Sales Taxes; partially offset by higher Retiree Obligations
- Sales tax of \$2.4M is 0.3% higher than budget

January 2025, YTD Pre-Close Financials

January YTD FY25 Operating Surplus/(Deficit)

Actual* vs. Budget

Overall \$3.3M favorable



* Pre-close financials, subject to adjustments post close; may not foot due to rounding

January 31, 2025

YTD Operating Revenue and Expenses

- Operating Deficit lower by \$3.3M driven by vacant/funded positions and lower Non-Personnel spending due to timing; partially offset by increased OT
- Non-Operating Revenues of \$36.2M are \$3K favorable vs budget driven primarily by higher than anticipated interest income and lower Retiree Obligations; partially offset by lower grant drawdowns and sales tax revenues
- Sales tax of \$18.7M is 2.5% lower than budget
- Bus Replacement Fund higher than budget by \$222K

\$ 000's	Actual*	Budget	Fav / (Unfav)
Operating Revenue			
Passenger Fares	\$ 1,704	\$ 1,527	\$ 178
Special Transit Fares	3,889	3,686	203
Total Operating Revenue	\$ 5,593	\$ 5,213	\$ 381
Operating Expense			
Labor - Regular	\$ 14,644	\$ 16,635	\$ 1,991
Fringe	12,091	13,762	1,671
Labor - OT	2,090	515	(1,575)
Non-Personnel	8,945	9,793	848
Total OpEx	\$ 37,770	\$ 40,705	\$ 2,935
Operating Surplus/(Deficit)	(\$ 32,177)	(\$ 35,492)	\$ 3,315
	<i>14.8%</i>	<i>12.8%</i>	<i>2.0%</i>
<i>Farebox Recovery</i>			
Non-Operating Revenue/(Expense)			
Sales Tax/including Measure D	\$ 18,742	\$ 19,220	(\$ 478)
Federal/State/Local Grants	19,130	19,480	(349)
Pension Bond Payment/UAL	(1,181)	(1,193)	13
Retiree Obligations	(2,368)	(2,613)	245
All Other	1,806	1,349	457
Total Non-Operating Revenue/(Expense)	\$ 36,130	\$ 36,242	(\$ 112)
Operating Surplus/(Deficit) before Transfers	\$ 3,953	\$ 750	\$ 3,204
Transfers and Other			
Transfers to Bus Replacement Fund	(\$ 1,643)	(\$ 1,420)	(\$ 222)
Operating Surplus/(Deficit) after Transfers	\$ 2,310	(\$ 671)	\$ 2,981

* Pre-close financials, subject to adjustments post close

Capital Spending

January 31, 2025 Capital Budget Spend

Project Category:	Year to Date	Portfolio Total **	
	Actuals*	Budget	% Spend
Construction Related Projects	\$ 241	\$ 41,000	0.6%
IT Projects	355	2,004	17.7%
Facilities Repair & Improvements	165	2,655	6.2%
Revenue Vehicle Replacement	285	69,803	0.4%
Revenue Vehicle Electrification Projects	-	-	0.0%
Non-Revenue Vehicle Replacement	-	140	0.0%
Fleet & Maintenance Equipment	-	755	0.0%
Misc.	104	343	30.2%
Total	\$ 1,149	\$ 116,699	1.0%

YTD Project Spend:	Future Project Spend:
✓ Watsonville Station Redevelopment	✓ 53 Hydrogen Buses
✓ Hydrogen Fueling Station	✓ Watsonville Station Redevelopment
✓ ERP System	✓ Hydrogen Fueling Station
✓ ZEB Charging Infrastructure	✓ ERP System
✓ OCTA Buses	✓ Reimagine Metro

* Pre-close financials, subject to adjustments post close
 ** Budget revised/approved by BoD at December 2024 meeting

Questions?

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KEY PERFORMANCE INDICATORS (KPI) REPORT

FOR 2nd Quarter through December 31, 2024

Finance, Budget & Audit Standing Committee

February 14, 2025

Chuck Farmer, Chief Financial Officer

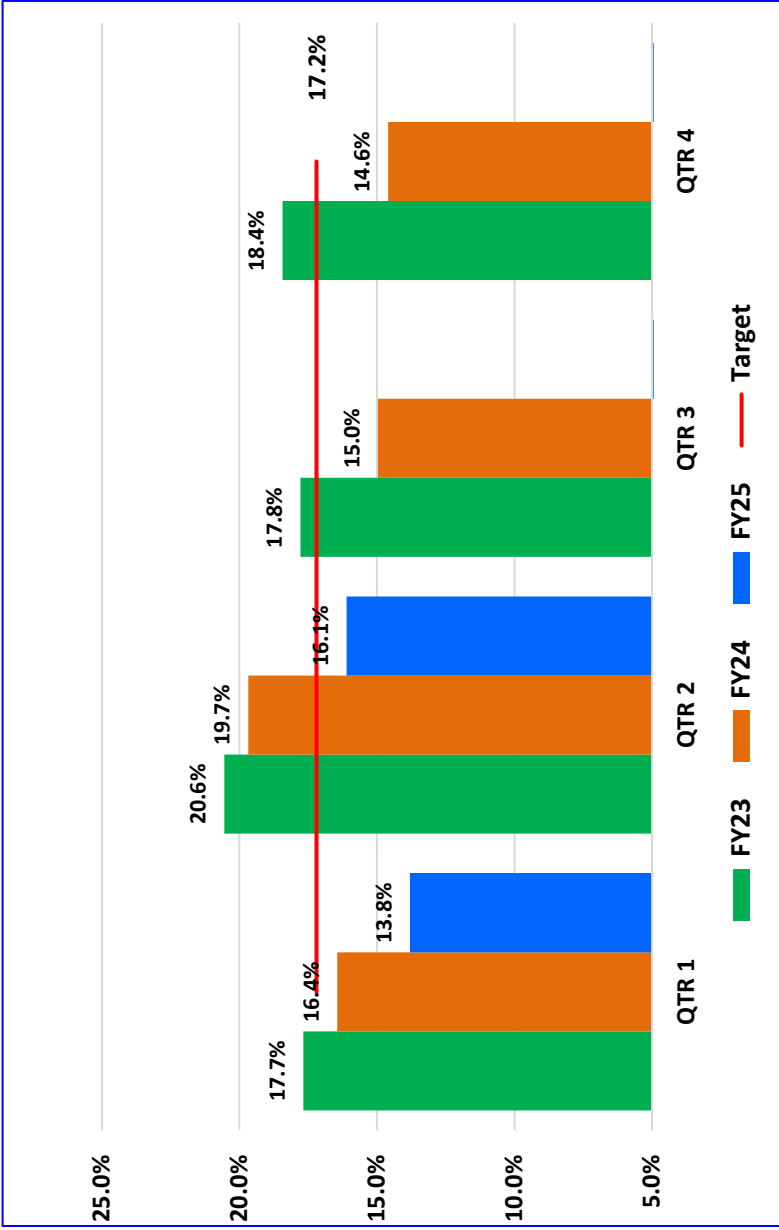
Overview of Today's Presentation:

KPI Category Criteria / Metric

Financial Performance	<ul style="list-style-type: none"> ✓ System Farebox Recovery Ratio ✓ Fixed Route & Commuter Cost / RSH ✓ ParaCruz Cost / Trip
Productivity	<ul style="list-style-type: none"> ✓ Total Ridership and Total Ridership / Hour ✓ UCSC, Cabrillo, Highway 17, & Local Ridership ✓ Passengers / RSH by Route
Risk Management & Safety	<ul style="list-style-type: none"> ✓ Traffic Accidents ✓ Passenger Incidents
Reliability	<ul style="list-style-type: none"> ✓ Miles between Chargeable Road Calls for Fixed Route, Highway 17, & ParaCruz
Dependability	<ul style="list-style-type: none"> ✓ Cancelled Trips by Cause & Region ✓ Pass-Ups for Fixed Route, UCSC, & Routes

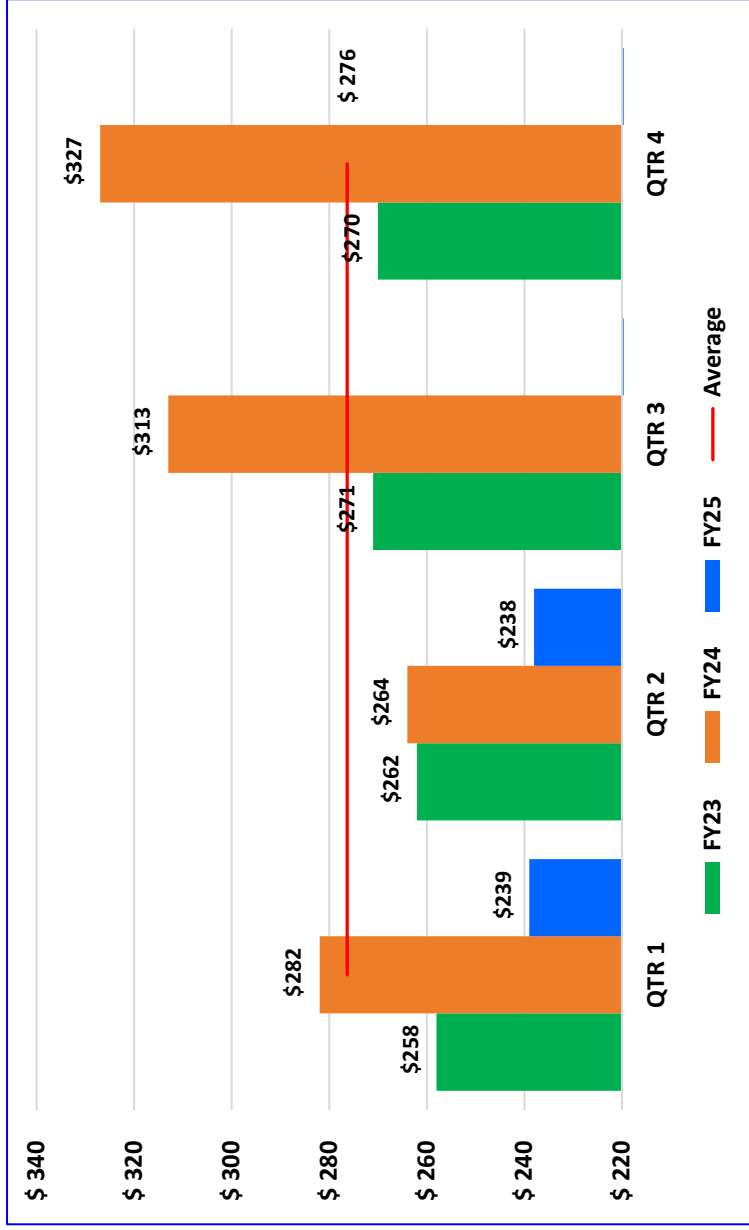
Financial Performance KPI's

System Farebox Recovery:



- Q2 FY25 Farebox Recovery decline of 3.6% when compared to Q2 FY24 due to the increase in FTEs (Bus Operators) during the implementation of phase 1 and 2 of the Reimagine Metro, which resulted in higher cost and lower farebox recovery.

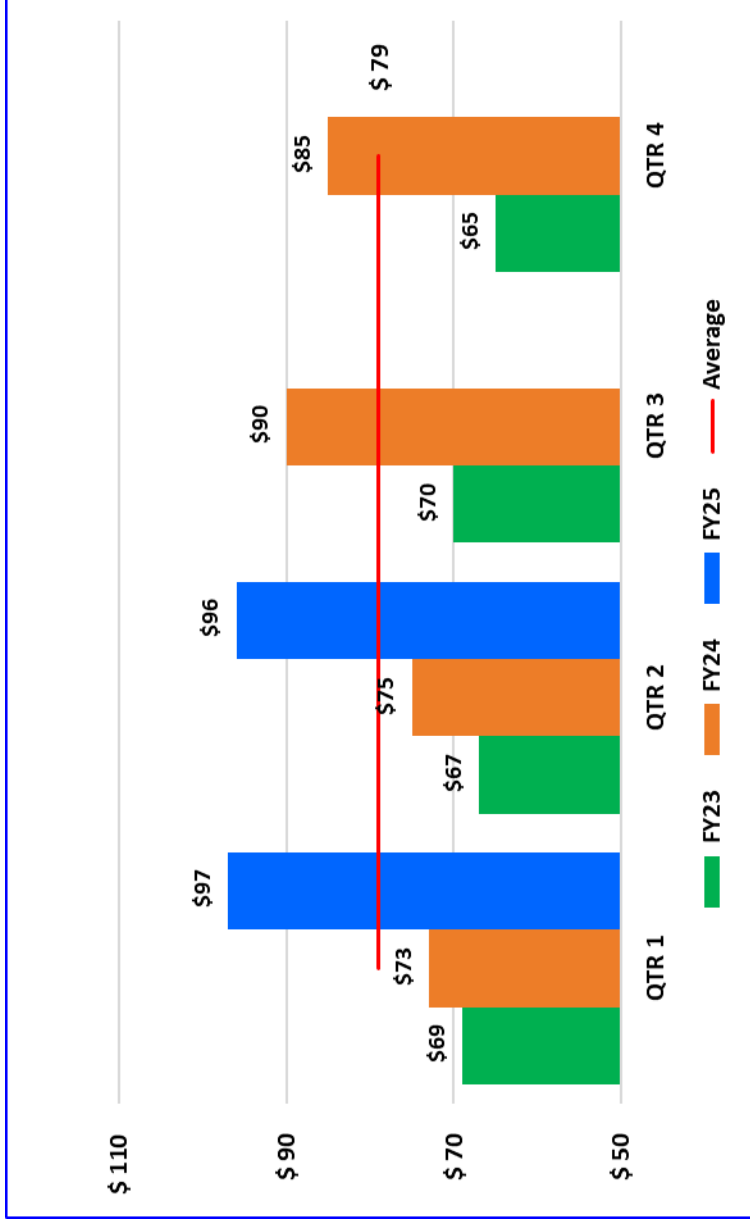
Fixed Route/Commuter Cost per RSH



- Q2 FY25 Cost per RSH is lower by \$26, over prior year Q2 FY24 due to an increase in service hours of 19,028 or 40.5%

The Fixed Route/Commuter cost per RSH average of \$276 is based on the average actuals from FY22, FY23, and FY24

ParaCruz Cost per Trip

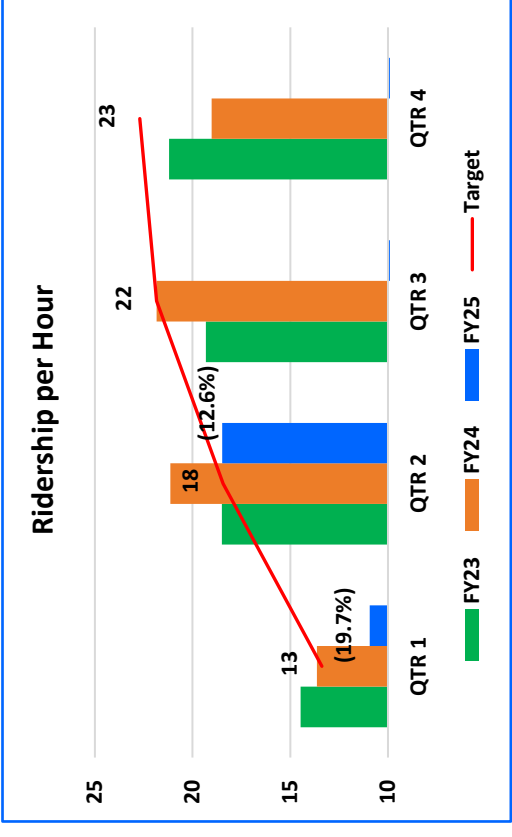
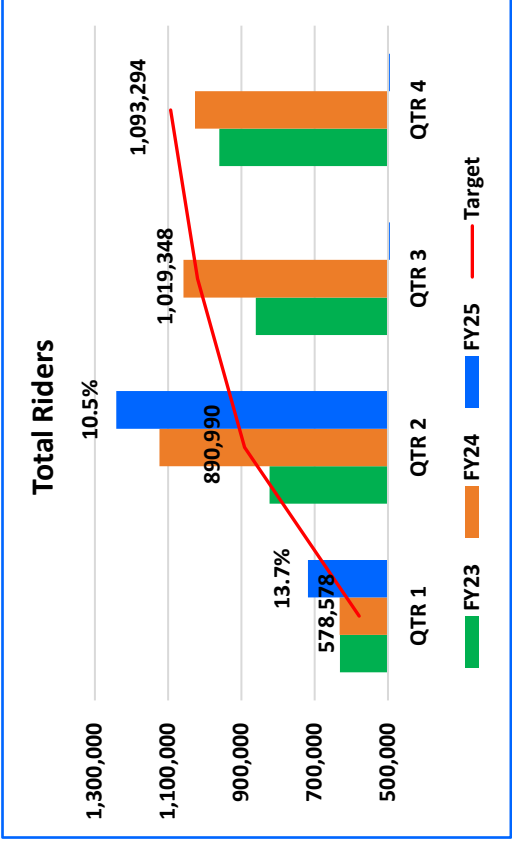


- Q2 FY25 Cost per Trip increased \$21 over prior year due to a decline in trips of 2,724, or 14.6%, primarily due to outsourcing the eligibility process which has resulted in fewer qualified applicants, along with an increase in costs of 9.2% primarily due to 6 additional FTEs (Van Operators) compared to the same period last year.

The ParaCruz Cost per Trip average of \$79 is based on the average actuals from FY22, FY23, and FY24

Productivity KPI's

Total Ridership / Ridership per Hour (RPH)



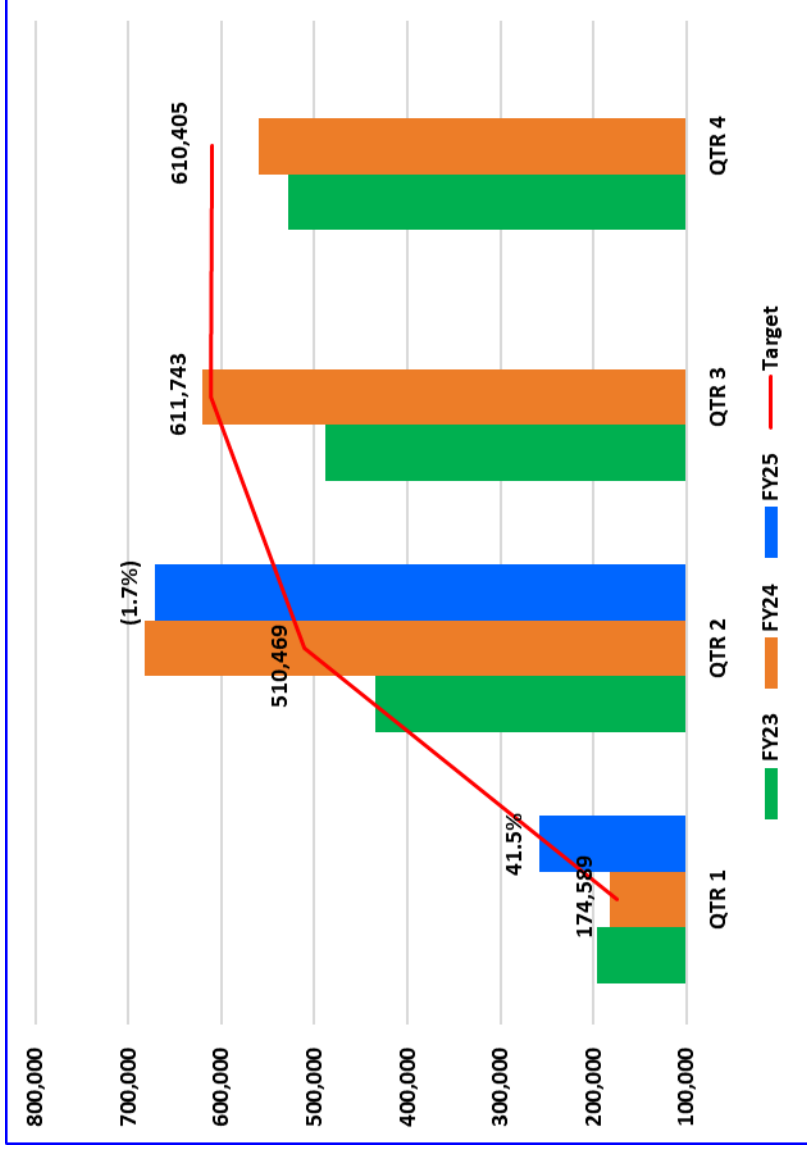
Ridership	QTR 2			YoY Change
	FY25	FY24	Variance	
Local/Non-Student	368,249	278,462	89,787	32.2%
Student (UCSC, Cabrillo, K-12)	834,164	810,867	23,297	2.9%
Highway 17	39,425	34,781	4,644	13.4%

Ridership	QTR 2			YoY Change
	FY25	FY24	Variance	
UCSC	671,239	682,648	(11,409)	(1.7%)
Cabrillo	71,795	49,193	22,602	45.9%
Youth	91,130	79,026	12,104	15.3%

The Quarterly Ridership Target is based on the average quarterly actuals from FY22, FY23 and FY24

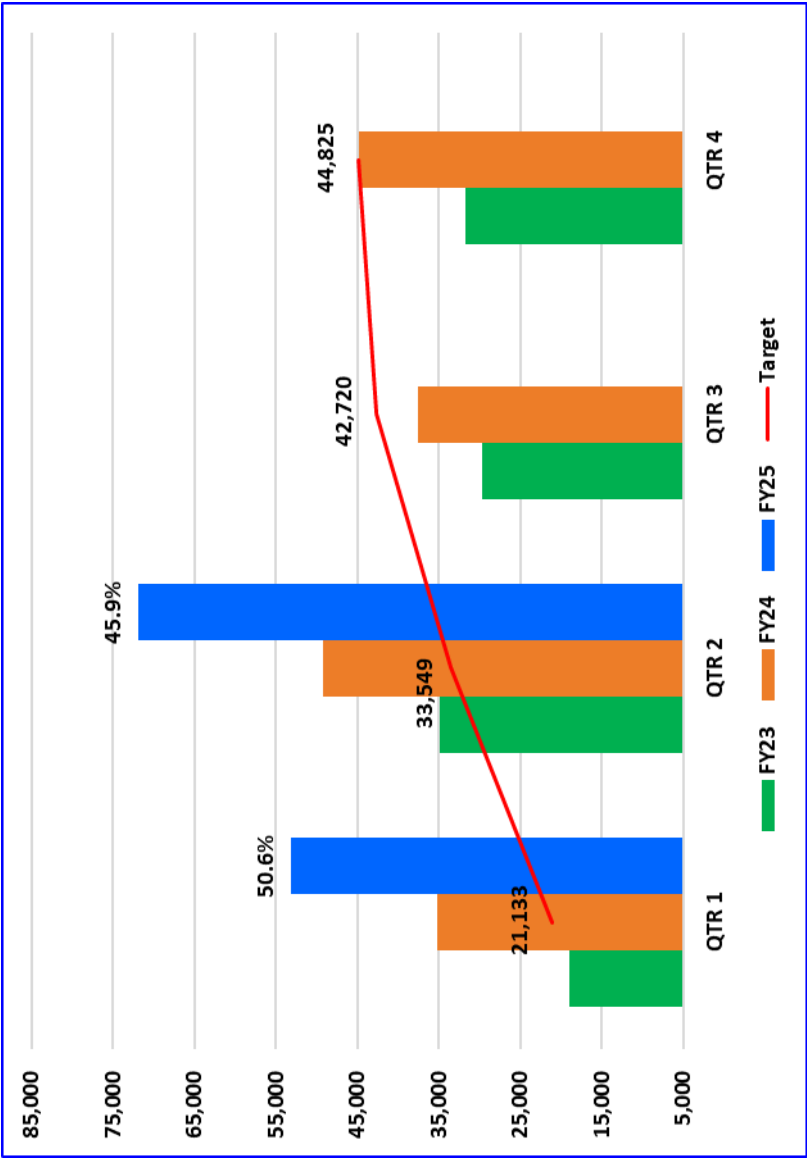
The Quarterly RPH Target is based on the average quarterly actuals from FY22, FY23, and FY24

UCSC Ridership



- Q2 Ridership decreased 11,409, or (1.7%), due to a UCSC labor strike on November 20-21 and an increase in cancelled trips on Route 16 due to bus shortages and the transition from using GFI to Clever APC data to collect UCSC ridership data

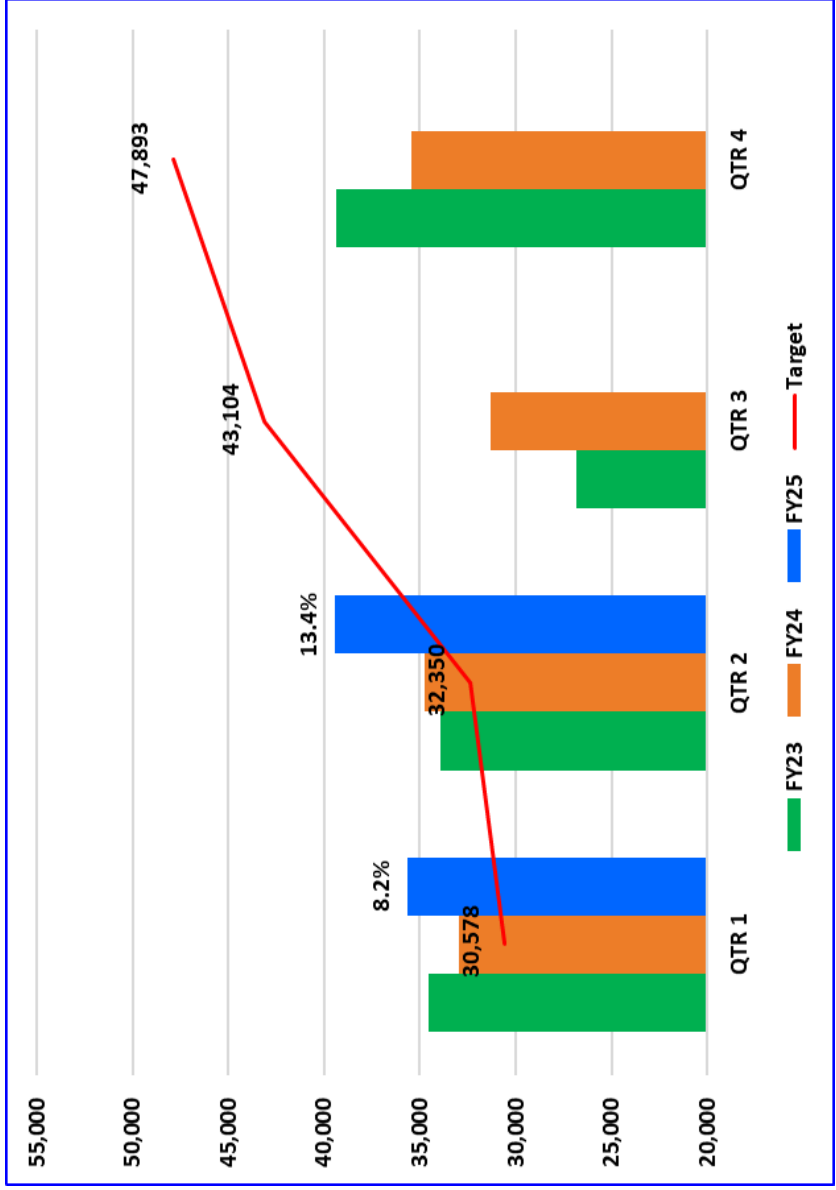
Cabrillo College Ridership



- Q2 Ridership increased 22,602, or 45.9% due to fall 2024 student enrollment increase of 10% compared to fall 2023 with 15,397 first-time-in-college students enrolled.

The Quarterly Ridership Target is based on the average quarterly actuals from FY22, FY23, and FY24

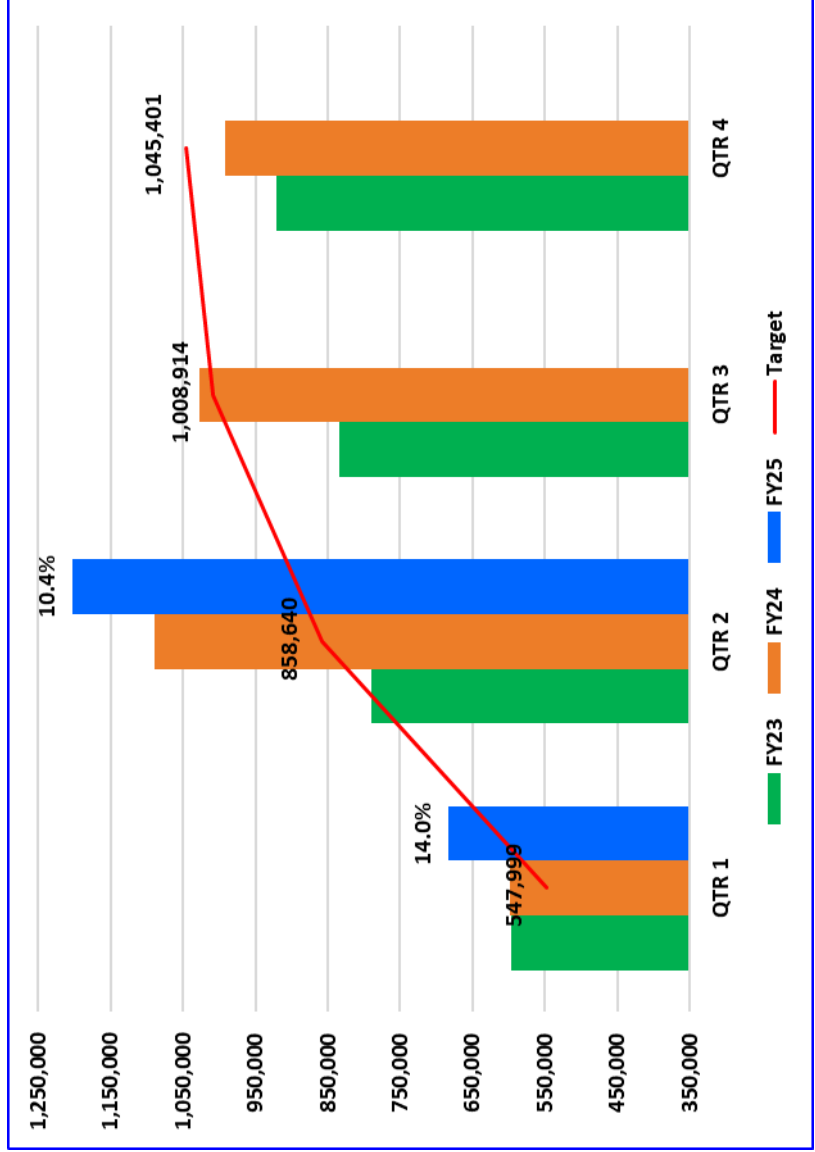
Highway 17 Ridership



Q2 Ridership increased 4,644, or 13.4% compared to Q2 FY24. METRO operated 24.1% more vehicle revenue hours over prior year Q2.

The Quarterly Ridership Target is based on the average quarterly actuals from FY22, FY23, and FY24

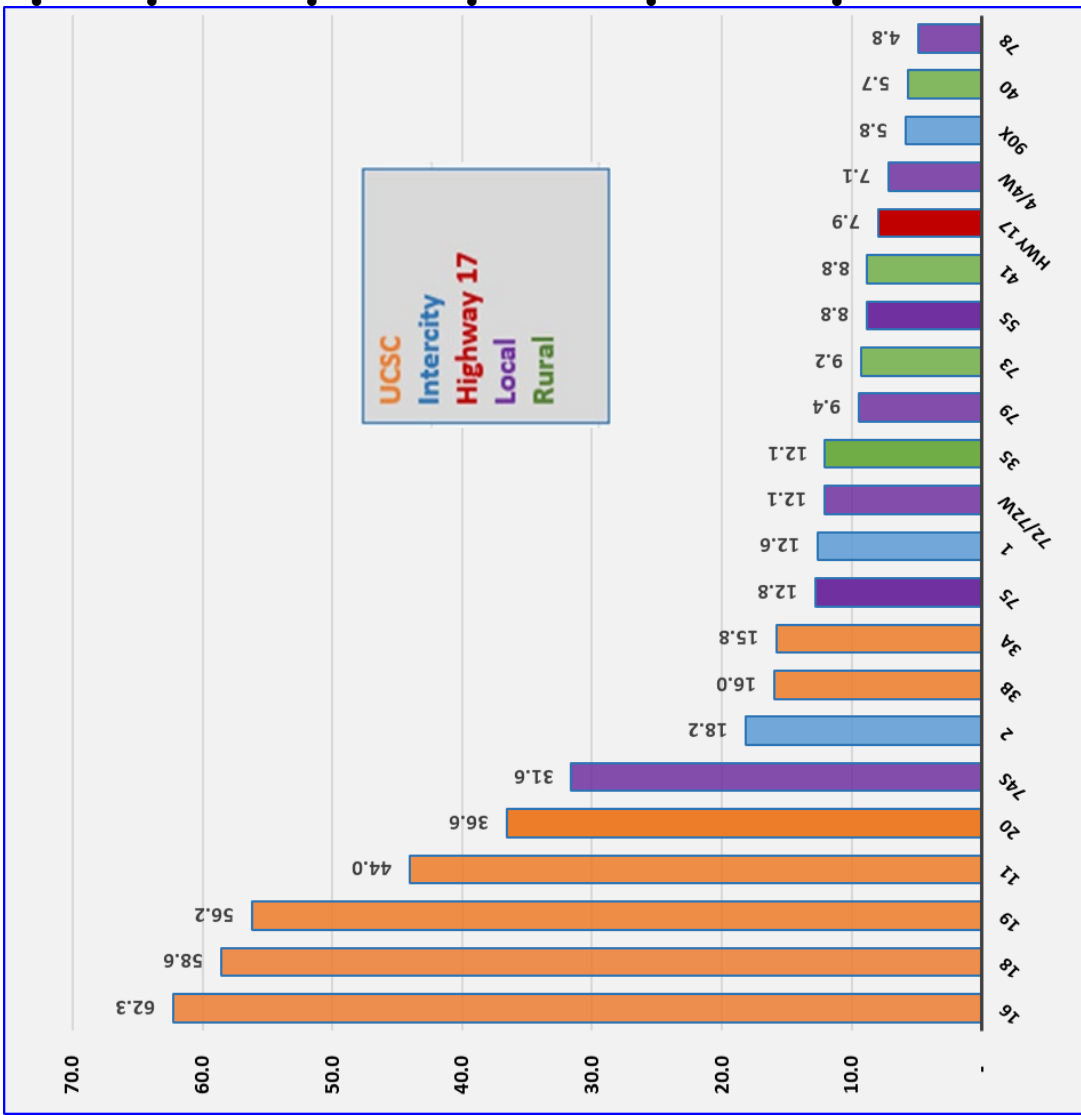
Local Ridership



- Q2 Ridership increased 113,084, or 10.4% over prior year Q2
 - UCSC – (1.7%) decrease
 - Cabrillo – 45.9% increase
 - K-12 – 15.3% increase

The Quarterly Ridership Target is based on the average quarterly actuals from FY22, FY23, and FY24

YTD FY25 Passengers/Service Hours by Route



Total Passengers/Service Hours were 20.9

Combined UCSC Passengers/Service Hours were 45.6

Combined Intercity Passengers/Service Hours were 13.4

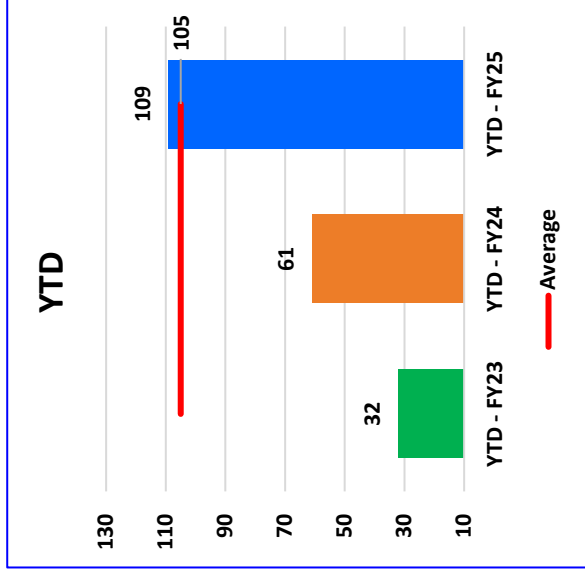
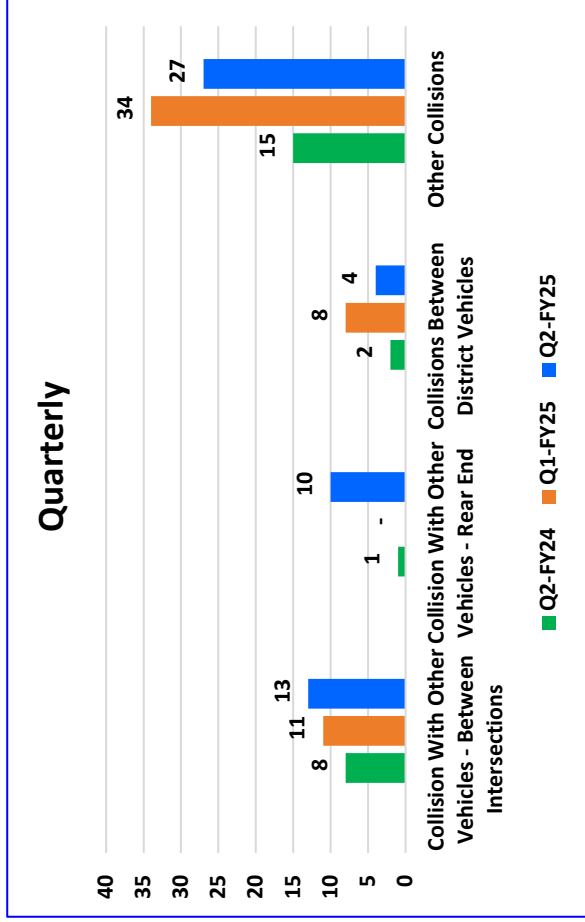
Combined Rural Passengers/Service Hours were 10.7

Combined Local Passengers/Service Hours were 9.7

Combined Highway 17 Passengers/Service Hours were 7.9

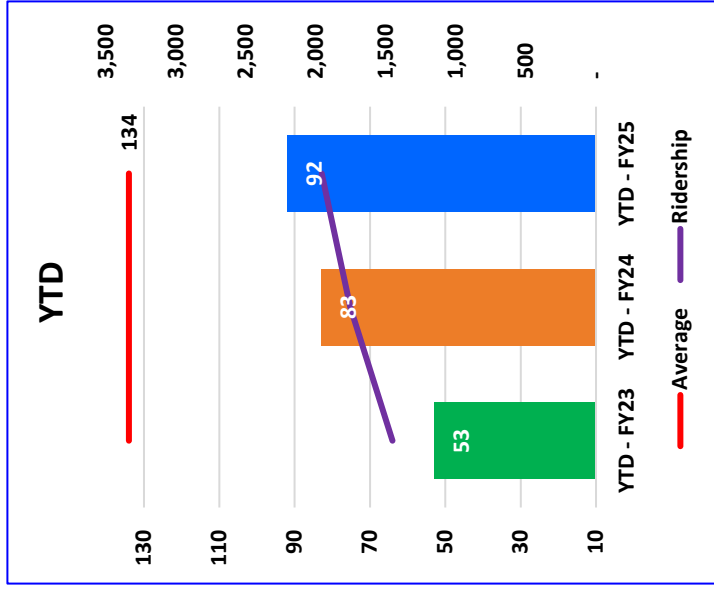
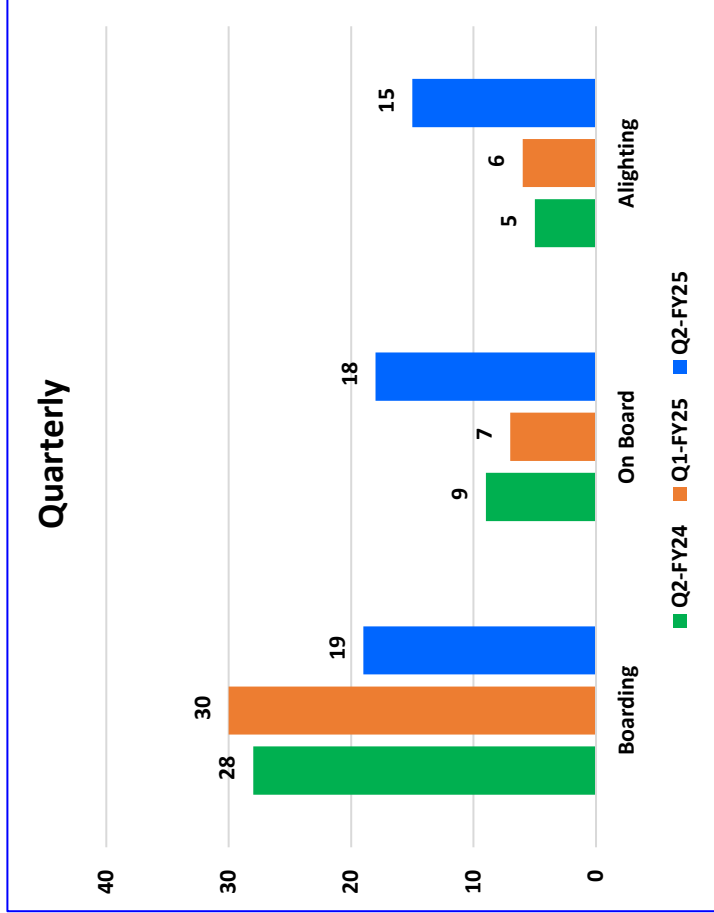
Risk Management & Safety KPI's

Traffic Accidents



- Total Traffic Accidents in Q2 FY25 increased by 1 (1.9%) over Q1 FY25 and increased by 28 (107.7%) from a year ago, Q2 FY24
- Collisions with Other Vehicles (between intersections) for Q2 FY25 increased by 2 (18.2%) over Q1 FY25 and increased by 5 (62.5%) from a year ago, Q2 FY24
- Collisions with Other Vehicles (Rear End) for Q2 FY25 increased by 10 (1000%) over Q1 FY25 and by 9 (900%) from a year ago, Q2 FY24
- Collisions Between (District Vehicles) for Q2 FY25 decreased by 4 (400%) over Q1 FY25 and increased by 2 (200.0%) from a year ago, Q2 FY24
- Other Collisions for Q2 FY25 decreased by 7 (20.6%) over Q1 FY25 and increased by 12 (80.0%) from a year ago, Q2 FY24
- Metro average of 105 is based on 3-year average (FY22, FY23, FY24); Quarterly categories are only reported if any reporting/presented quarter has 3 or more incidents.
- The YTD total is **all** incidents (Collisions between/at intersections, fixed object and rear end collisions, along with collisions between District vehicles)

Passenger Incidents



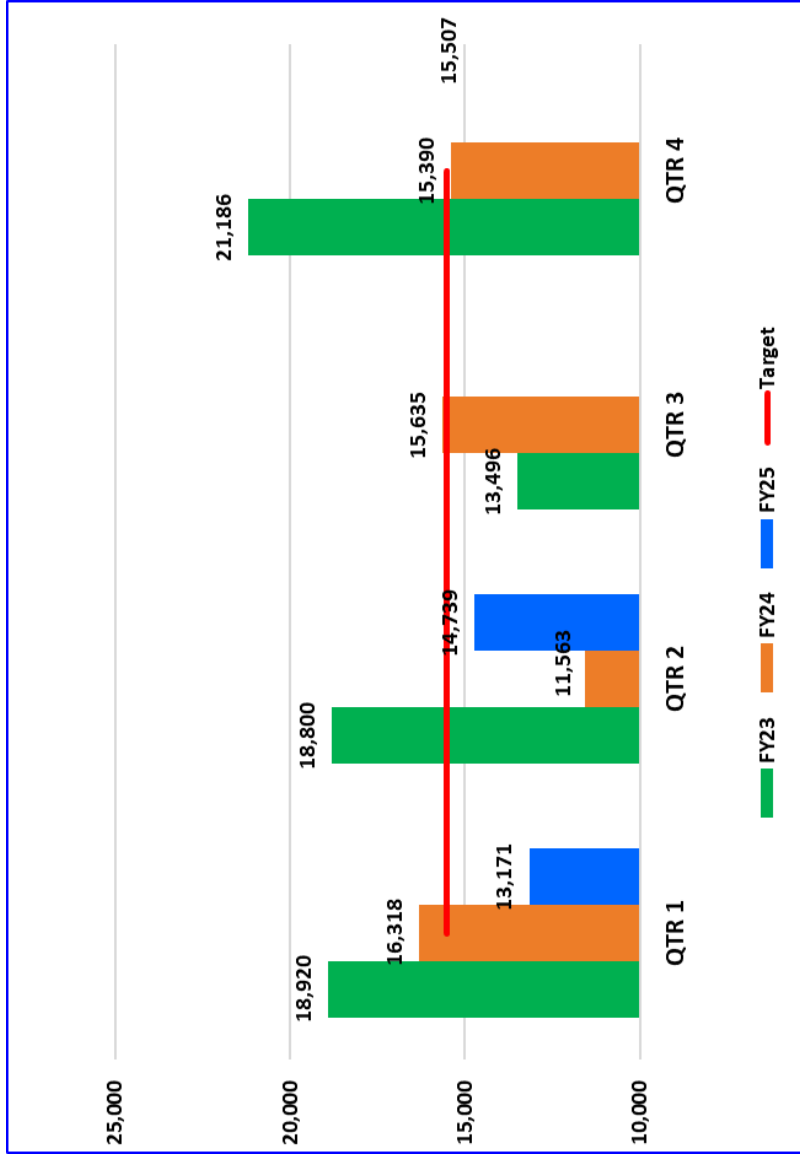
- Most boarding incidents occur when the passengers are using cell phones, not paying attention, or sleeping.
- Safety, Fleet Maintenance, and Information Technology departments are collaborating to identify further methods to reduce the number of incidents.
- YTD Ridership numbers are 1,454,679, 1,755,998, and 1,960,395 respectively for FY23, FY24, and FY25

8-16

Metro Average of 134 is based on 3-year average (FY22, FY23, FY24)

Reliability KPI's

Mean Miles Between Chargeable Road Calls - Fixed Route (Local)

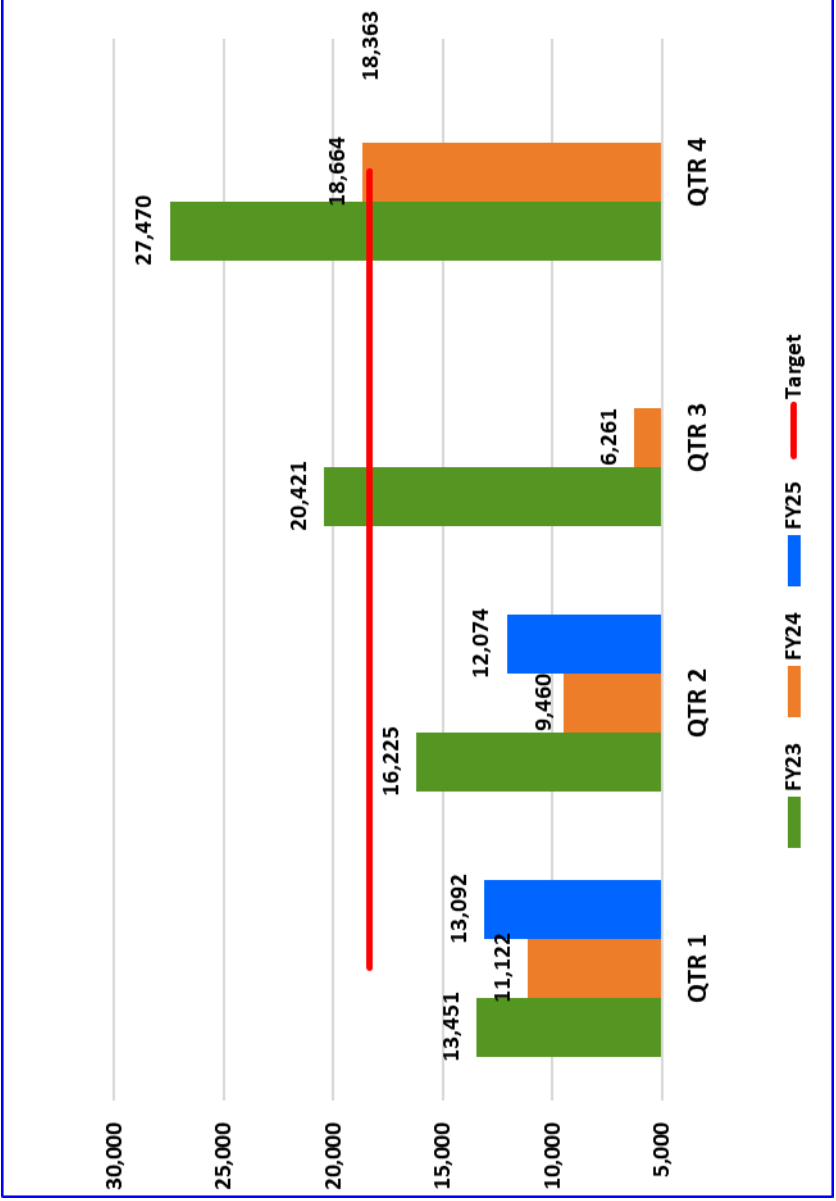


• Q2 FY25 mileage between calls increased by 3,176 in correlation with increases of miles by 315,729 and road calls by 10 compared to the same time period in FY24

Chargeable road calls in Q2 FY25 were 28 in October, 29 in November, and 16 in December

The current target of 15,507 is based off a 3-year average (FY21, FY22, FY23)

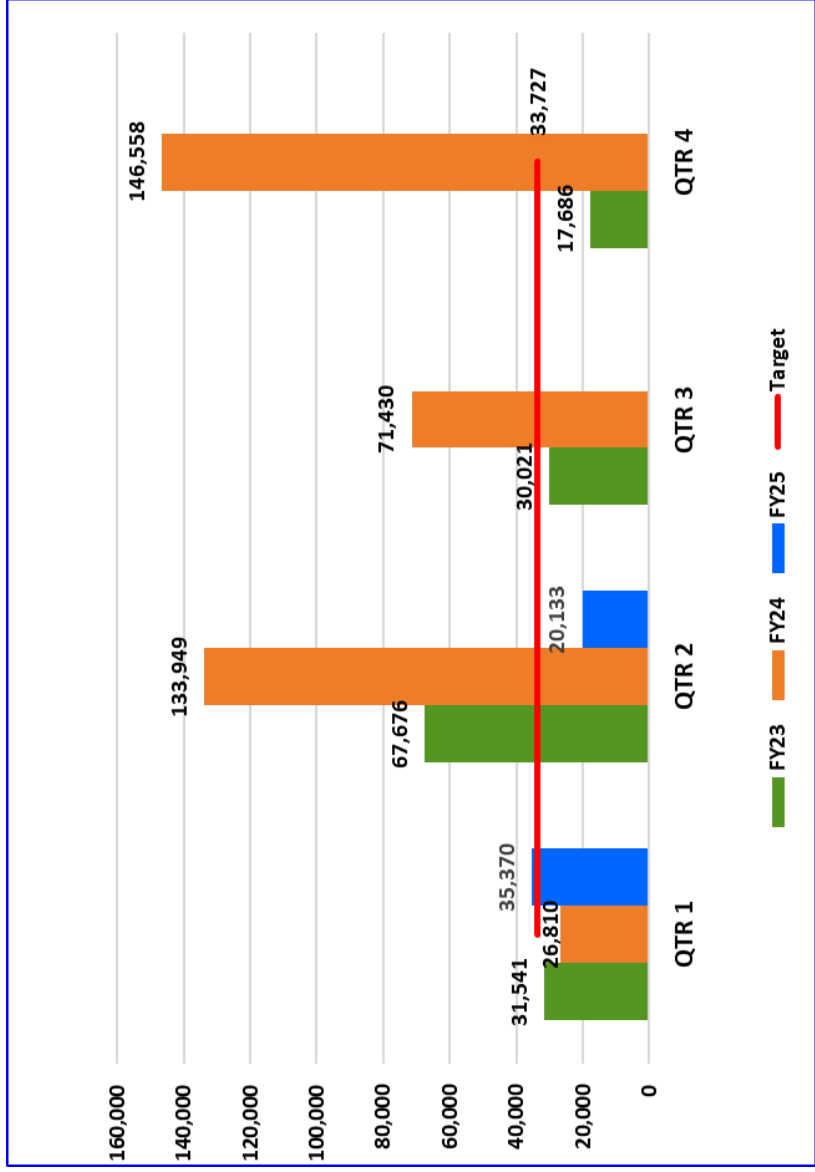
Mean Miles Between Chargeable Road Calls - Highway 17



- Q2 FY25 mileage between calls increased by 2,614 in correlation with increases of miles by 55,513 and road calls by 2 compared to the same time period in FY24
- Chargeable road calls in Q2 FY25 were 4 in October, 5 in November, and 5 in December

The current target of 18,363 is based off a 3-year average (FY21, FY22, FY23)

Mean Miles Between Chargeable Road Calls - ParaCruz

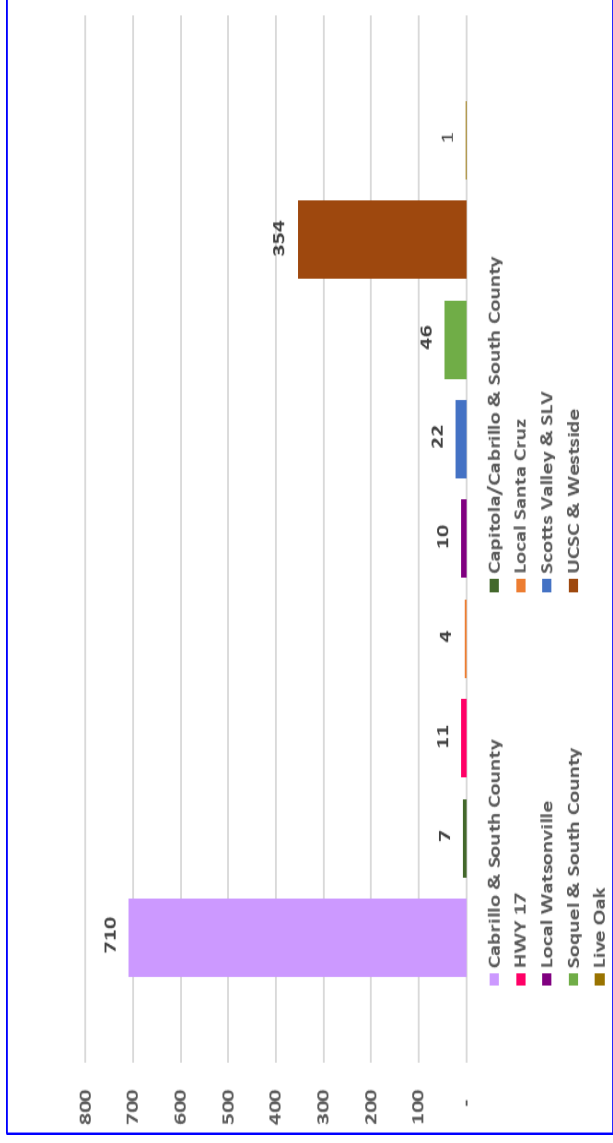
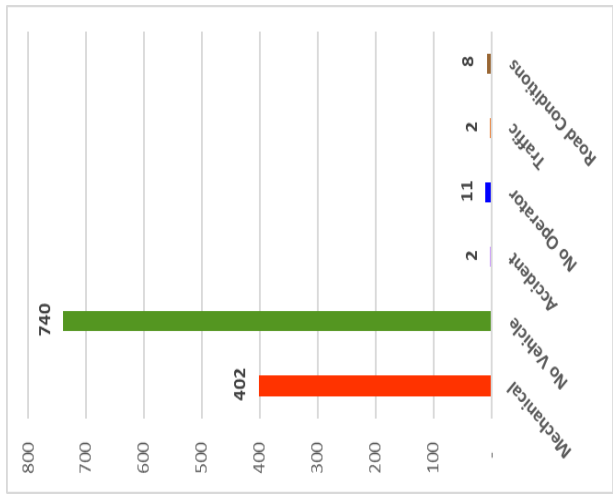


- Q2 FY25 mileage between calls decreased by 113,816 while road calls increased by 6. Average mileage is derived by total miles divided by road calls and only 1 road call in Q2 FY24, resulting in a high variance compared to current Q2
- Chargeable road calls in Q2 FY25 were 3 in October and November, and 1 in December

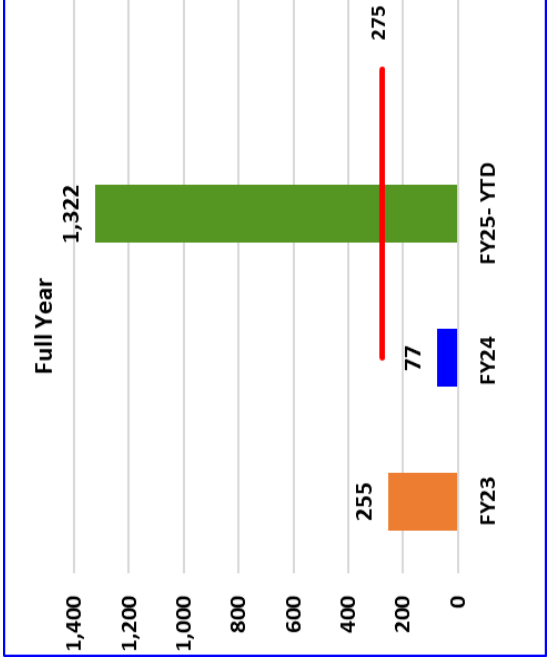
The current target of 33,727 is based off a 3-year average (FY21, FY22, FY23)

Dependability KPI's

Cancelled Trips by Cause & Region

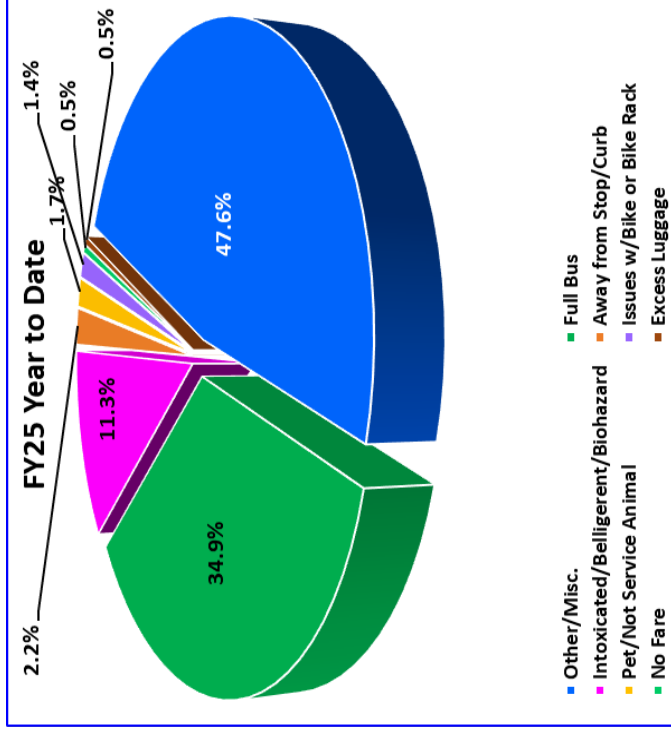
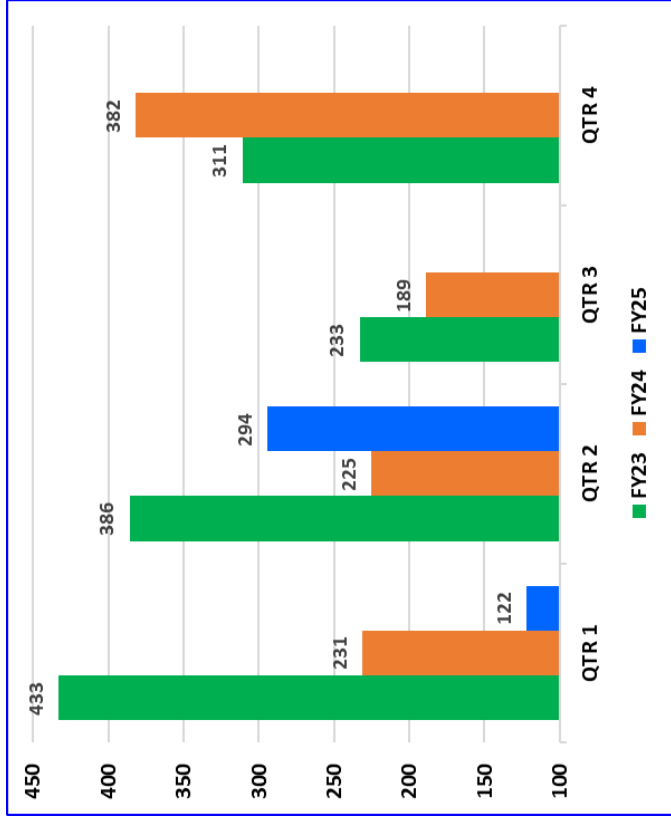


- There were 1165 cancelled trips in Q2 FY25 – 121 in October, 128 in November and 916 in December primarily due to no vehicle and mechanical issues
- Nine regions were impacted – Cabrillo & South County, Local Santa Cruz, Scotts Valley & SLV, Capitola/Cabrillo & South County, Local Watsonville, Soquel & South County, HWY 17, Mid County, and UCSC & Westside



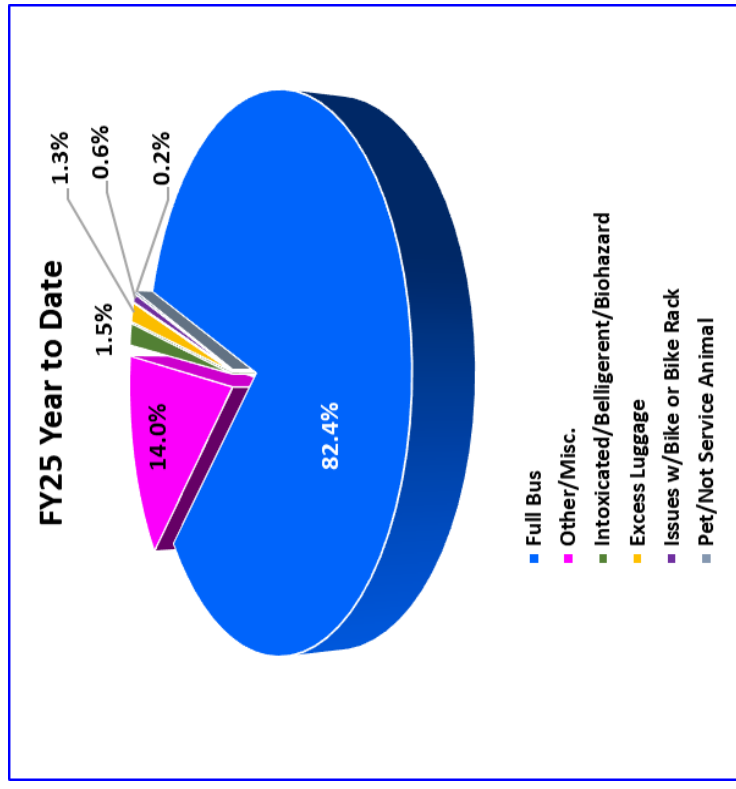
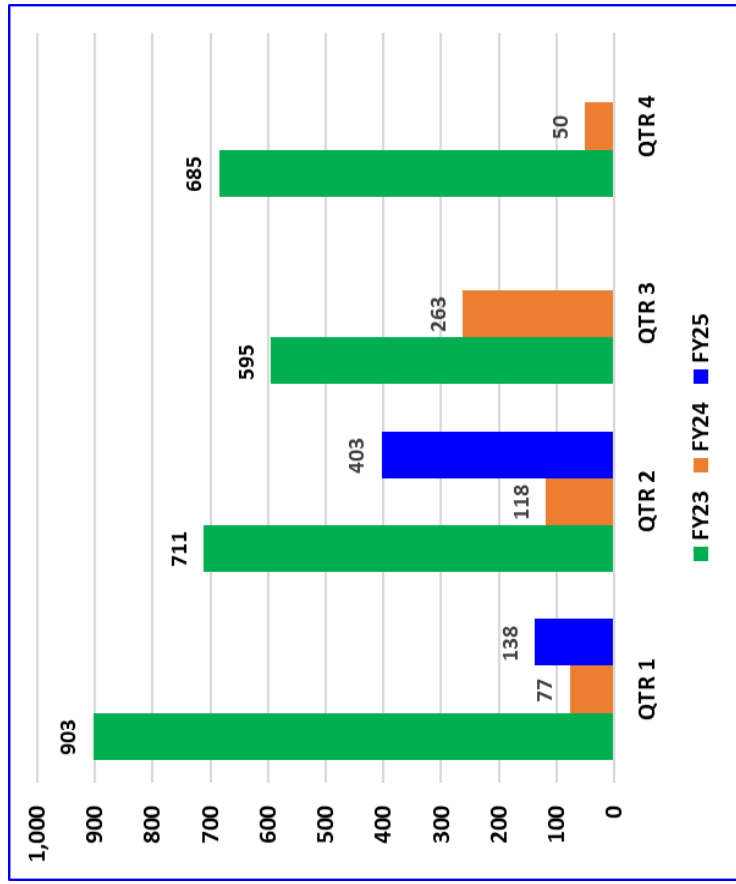
Full year average of 275 is based 3-year average (FY22, FY23, FY24)

Pass-Ups by Quarter/Reason - Fixed Route



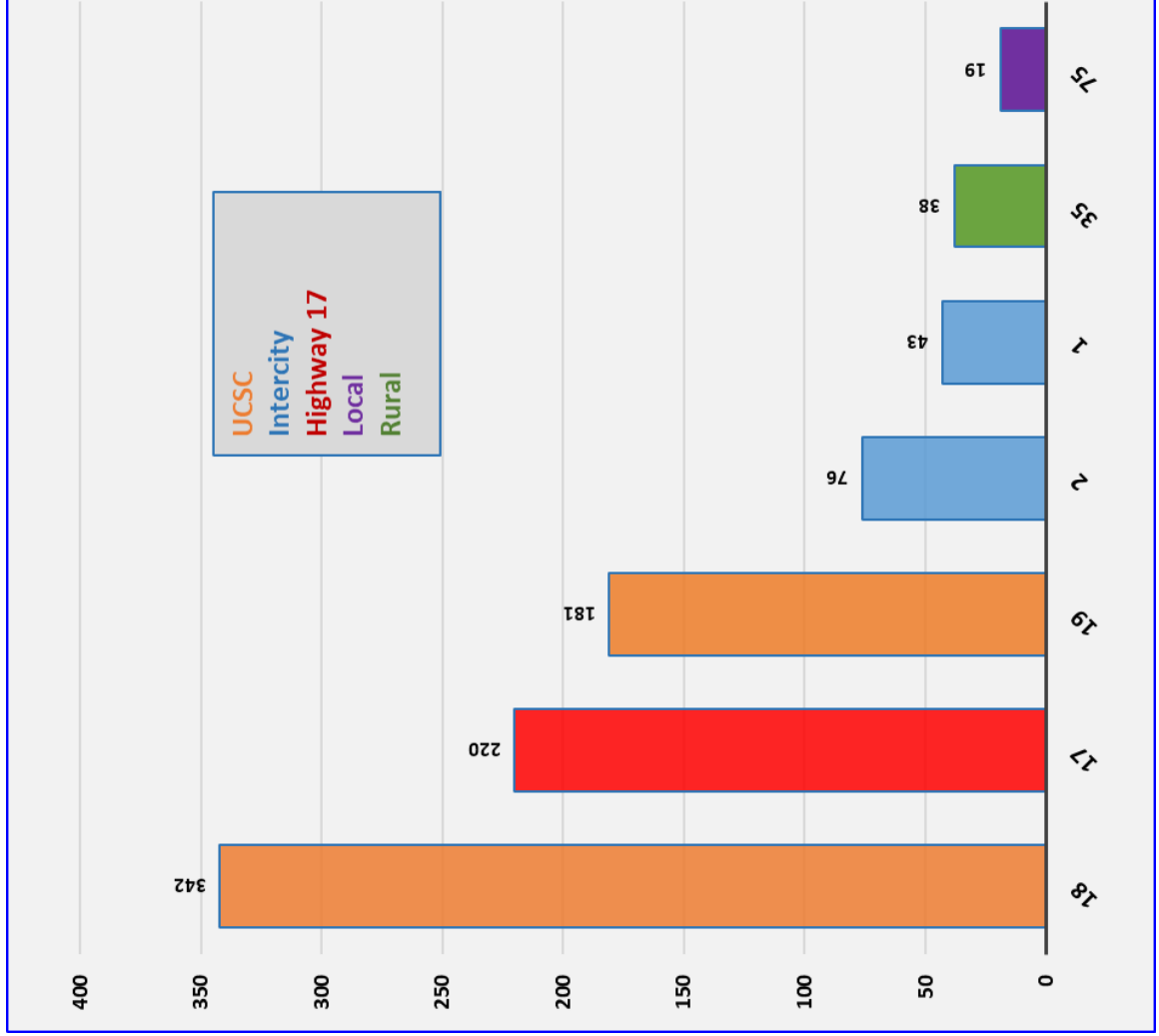
- In Q2 FY25, total pass-ups were 294, which is 69 (30.7%) higher when compared to Q2 FY24
- October had an increase of 45 pass-ups (54.2%), November had a decrease of 11 (13.4%), and December had an increase of 35 (58.3%) when compared to the same time period as FY24
- 47.6% of Year-to-Date total pass-ups are caused by Other/Misc, which covers a wide range of issues (such as Surfboards, No Shoes, Smoking/Vaping, and Hygiene to name a few), followed by 34.9% full bus capacity, and 11.3% due to Intoxicated/Belligerent/Biohazard, all other categories are less than 2.2%

Pass-Ups by Quarter/Reason - UCSC



- In Q2 FY25, total pass-ups were 403, which is 285 (241.5%) higher when compared to Q2 FY24
- There were increases across all months - October 264 pass-ups (432.8%), November 12 (44.4%), and December 9 (30.0%) when compared to the same time period as FY24
- 82.4% of Year-to-Date total pass-ups are caused by full bus capacity, followed by 14.0% caused by other/Misc., all other categories are less than 1.5%

YTD FY25 Pass-Ups by Route*



- YTD Pass-ups total 957
- UCSC Routes comprised 541 (56.5%), of which 82.4% were due to full bus capacity
- Highway 17 Routes comprised 220 (23.0%), of which 57.7% were due to full bus capacity
- Intercity Routes comprised 127 (13.3%), of which 59.1% were due to Other/Misc.
- Rural Routes comprised 45 (4.7%), of which 40.0% were due to full bus capacity
- Local Routes comprised 24 (2.5%), 87.5% were due to Other/Misc.

*Only Routes with greater than 10 pass-ups are shown in the graph

Questions ?

KPI Metric Descriptions & Importance

Metric	Description & Importance
<p>Financial Performance</p>	<p>The Farebox Recovery Ratio represents the passenger fares (Fixed Route and Commuter) coverage of Metro's agency costs; this provides insight to the amount of non-passenger revenue (subsidy) needed to cover costs. Additionally, it allows the agency to compare cost-effectiveness within its own service.</p> <p>Fixed Route and Commuter Cost per Revenue Service Hour (RSH) along with the ParaCruz Cost per Trip depict the cost per hour of service/trip. By effectively tracking and minimizing costs, this measurement ensures efficient delivery of transit services.</p> <p>Data presented is by Quarter, for the current and past two fiscal years.</p>
<p>Productivity</p>	<p>Total Ridership and Ridership per hour are measures of productivity. The metrics depict seasonal fluctuations in ridership related to holidays, school terms, and other changes.</p> <p>Student ridership, historically a large portion of METRO's total ridership, shows changes in student enrollment and seasonal trends can be seen year over year.</p> <p>Highway 17 demonstrates METRO's commuter ridership, connecting Santa Cruz to San Jose.</p> <p>Local Ridership excludes student and commuter routes and reflects all other routes within the county.</p> <p>Passengers per Revenue Service Hour (RSH) depicts the productivity of each route. This ratio brings the true productivity of each route to scale and can stimulate discussions about frequency of service in urban and semi-urban areas of the of the county versus geographic coverage.</p> <p>Data presented is by Quarter, for the current and past two fiscal years.</p>

KPI Metric Descriptions & Importance, con't

Metric	Description & Importance
<p>Risk Management & Safety</p>	<p>Traffic Accidents are broken down into different categories: Collisions between intersections, at the intersection, with fixed objects, with other district vehicles</p> <p>Passenger Incidents happen with METRO passengers either while boarding a bus, on board a bus, or alighting (descending) a bus.</p> <p>Data presented is by Quarter, for the current quarter, previous quarter, and the current quarter for the last fiscal year.</p> <p>Quarterly categories are only reported if any reporting/presented quarter has 3 or more incidents.</p> <p>The YTD total is <i>all</i> incidents (Collisions between/at intersections, fixed object and rear end collisions, along with collisions between District vehicles)</p>
<p>Reliability</p>	<p>Any mechanical failure that impedes the vehicle from starting or completing a scheduled revenue trip because actual movement is limited, or there are safety concerns, are used to calculate the Mean Miles Between Chargeable Road Call.</p> <p>The metric is calculated using the number of miles for the month divided by the number of chargeable road calls for each service type (Fixed Route, Commuter, and ParaCruz).</p> <p>Data presented is by Quarter, for the current and past two fiscal years.</p>

KPI Metric Descriptions & Importance, con't

Metric	Description & Importance
Dependability	<p>Cancelled Trips are presented by Region and Cause for the current quarter only and YTD for the current year, and full year for the previous two fiscal years.</p> <p>Pass-Ups occur when a bus operator must leave behind a passenger for a variety of reasons: No Fare, Exceeds Capacity Load (Full Bus), Intoxicated/Belligerent/Biohazard, and All Other.</p> <p>Pass-Ups data are presented by Quarter, for the current and past two fiscal years for both Fixed Route and UCSC along with a YTD presentation of Routes with 10 or more Pass-Ups</p>

Historical Metrics

Metric	FY20	FY21	FY22	FY23	FY24	YTD FY25
Farebox Recovery	24.1%	11.2%	16.6%	18.6%	16.2%	16.1%
Fixed Route/Commuter Cost/RSH	211	298	271	247	296	238
ParaCruz Cost/Trip	72	181	91	69	80	96
Monthly Mean Miles Between Chargeable Road Calls - Fixed Route	13,216	13,695	15,401	17,602	14,494	13,908
Monthly Mean Miles Between Chargeable Road Calls - Highway 17	24,126	18,016	18,699	18,341	9,959	12,564
Monthly Mean Miles Between Chargeable Road Calls - ParaCruz	44,329	53,393	29,626	29,729	66,326	25,674
Annual Road Miles - Fixed Route	2,443,157	1,999,474	2,325,531	2,358,618	2,594,510	1,863,663
Annual Road Miles - Highway 17	562,616	324,281	373,984	403,492	468,091	339,220
Annual Road Miles - ParaCruz	623,119	373,748	503,650	505,399	530,608	282,413