

Measure D Recipient Agency:

Santa Cruz Metropolitan Transit District (METRO)

**Measure D Annual Report Cover Sheet
Fiscal Year 2020/21**

Dear Measure D Taxpayer Oversight Committee: The Santa Cruz Metropolitan Transit District is pleased to present the following information demonstrating compliance with the voter-approved Measure D Ordinance, Strategic Implementation Plan (SIP), agreements and guidelines. Collectively they make up the Measure D annual report for recipient agencies.

Measure D Financial Information	
FY20/21 Formula Allocations	\$ 3,839,507
Unspent Prior Year Allocations	\$ 3,266,636
Interest earned on Unspent Prior Allocations	\$ 31,827
Total Measure D Funding Available in <u>FY20/21</u>	\$ 7,137,970
Total Measure D Funds Spent in <u>FY20/21</u>	\$ 2,476,732
Total Measure D Rollover to <u>FY21/22</u>	\$ 4,661,238
Maintenance of Effort	
FY20/21 LOCAL funds spent on transportation projects, operations, and/or services <i>(exclude grants and formula state & fed funds - HUTA, TDA, SB1, STA, etc.)</i>	\$ 35,580,256
Maintenance of Effort Baseline <i>(average amount of <u>local</u> funds spent on transportation projects in 3-5 fiscal years prior to 2017)</i>	\$45,648,421
Measure D Compliance Documents	
Document	Attached (check)
1. FY20/21 Annual Report Cover Sheet <i>(this document)</i>	Provided
2. FY20/21 Audited Financials for Measure D funds <i>(see "Measure D Audit Guidance" for additional information)</i>	Attached
3. FY20/21 Expenditure Report Spreadsheet: Shows what Measure D formula funds (direct allocations) were spent on. <i>*Report use of regional funds (Trail, Highway Corridors, Hwy 9, Rail) separate from formula funds.</i>	Attached
a. If applicable –Grouped projects supplemental information	N/A
4. Map: Attach or provide web link to map(s) of projects funded with Measure D funds in FY20/21 (for projects with specific locations).	N/A
5. FY20/21 Performance Measures Report <i>(Measure D Guidelines Attachment B)</i>	Attached
6. Maintenance of Effort Compliance Spreadsheet: List of local funds spent on transportation projects through FY20/21 as compared to the 3-5 years prior to FY16/17.	Attached

a. If FY20/21 Local funds expended were lower than Baseline amount, explain why:	COVID -19 impact of farebox
7. Indirect cost allocation plan: Does your agency have an indirect cost allocation plan (ICAP)? (If "no," Measure D cannot be used for indirect costs) a. Date of most recent ICAP: _____	n/a
8. 5-Year Program of Projects (5-Year Plan): List showing planned use Measure D formula funds in the next 5 years.	Attached
a. Evidence that the 5-year program of projects was approved through a public process. Include information on process used to select projects and develop 5-year plan. This may be in the form of public hearing notices, staff reports, and other means that agencies may have solicited input on their 5-year program of projects. Public process must include at least one public hearing and approval by recipient's governing board.	Attached
b. Date of 5-Year Plan Public Hearing soliciting input on 5-Year Plan (per Article III.A.4.)	Date: 06/25/2021
c. Date annual 5-year Plan approved by Governing Board	Date: 06/25/2021
9. Complete Streets Compliance (Cities/County only)	N/A
10. Annual Report Narrative (may be included in Management & Admin section of audit)	
a. Fund Balances, Carryover Projects, and Description of planned, longer-term and future uses of Measure D revenues, if known. Describe how agency is tracking Measure D funds not yet expended and include explanation of why not all funds were spent, reasons for large carryover balances, and planned future use of carryover funds. This could include a list of projects anticipated to use Measure D funds in the future, such as priority future projects, projects that will be implemented in a future year or over several years, larger projects that an agency is saving funds for, etc.)	Information provided in the Audited Financials for Measure D
b. Future Liabilities: Describe possible liabilities, including information on how future costs for projects not yet completed are anticipated to be funded.	FY22 Capital Budget/Portfolio https://www.scmtd.com/en/agency-info/administration/financial-reports
c. Compliance with Applicable Laws: Confirm projects were implemented in compliance with applicable laws, regulations, requirements, standards of practice, guidelines, etc. which are	Information provided in the Audited Financials for Measure D

applicable to publicly funded transportation projects are met and adhered to, including requirements of the California Environmental Quality Act (CEQA), state design and procurement requirements, etc.	
Public Outreach/Notification of Use of Measure D Funds	
11. Public Outreach/Process: Describe outreach conducted during the reporting year to inform Santa Cruz County taxpayers as to how your agency is using or plans to use Measure D funds.	Public Hearing for 5-Year Program of Projects and Operating & Capital Budgets
12. Sample(s) of public outreach on Measure D-funded projects 7/1/19-6/30/20	
a. Website with Measure D information (attach PDF): Web address: http://www.scmttd.com/en/agency-info/planning	
b. News Articles: https://goodtimes.sc/santa-cruz-news/metro-extends-ceo-contract-unions-call-dismissal/ https://goodtimes.sc/santa-cruz-news/metro-ceo-alex-clifford-announces-departure/	
c. Signage: Did you display the Measure D logo on signs at construction sites, on vehicles, and/or public education materials/websites? Attach photos if available.	Attached
13. Photos: Attach before/after and construction photos if available of projects/work done in FY20/21.	Attached
14. Fact Sheets on larger projects	Attached

Contacts

Designated staff available to report on or answer any and all inquiries in regard to Recipient Agency's audit, projects and expenditures, and/or compliance with Measure D before the RTC and/or the Measure D Taxpayer Oversight Committee or RTC advisory committees, as applicable.

Name	Title	Phone/email
John Urgo	Planning & Development Director	jurgo@scmttd.com
Kristina Mihaylova	Finance Deputy Director	kmihaylova@scmttd.com

**SANTA CRUZ METROPOLITAN
TRANSIT DISTRICT
MEASURE D PROGRAM**

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED
JUNE 30, 2021**

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
MEASURE D PROGRAM
FOR THE YEAR ENDED JUNE 30, 2021**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Santa Cruz Metropolitan Transit District
Santa Cruz, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Measure D Program of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO), as of and for the year ended June 30, 2021, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relating to the Measure D Program, relevant to Santa Cruz METRO's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Santa Cruz METRO's internal control relating to the Measure D Program. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Measure D Program of Santa Cruz METRO as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Measure D Program and do not purport to, and do not, present fairly the financial positions of Santa Cruz METRO as of June 30, 2021, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Measure D Program financial statements. The budgetary comparison information is presented for purposes of additional analysis and is not a required part of the financial statements.

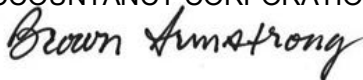

The budgetary comparison information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Management has omitted the management discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board (GASB), which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2021, on our consideration of Santa Cruz METRO's internal control over financial reporting, relating to the Measure D Program, and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance, relating to the Measure D Program, and the results of that testing, and not to provide an opinion on the effectiveness of Santa Cruz METRO's internal control over financial reporting or on compliance relating to the Measure D Program. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Santa Cruz METRO's internal control over financial reporting and compliance relating to the Measure D Program.

Bakersfield, California
December 13, 2021

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
MEASURE D PROGRAM
BALANCE SHEET
JUNE 30, 2021**

ASSETS

Cash and Investments	\$ 4,973,751
Intergovernmental Receivables	
Receivables from SCCRTC for Measure D Allocations	<u>753,881</u>
Total Assets	<u>\$ 5,727,632</u>

LIABILITIES AND FUND BALANCE

Liabilities	
Unearned Income	\$ 4,661,238
Interfund Payable	
Reimbursements for Capital Expenditures	<u>1,066,394</u>
Total Liabilities	<u>5,727,632</u>
Fund Balance	
Restricted	<u>-</u>
Total Fund Balance	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 5,727,632</u>

See accompanying Notes to Financial Statements.

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
MEASURE D PROGRAM
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2021**

REVENUES

Measure D Revenue	\$ 2,444,905
Interest Income	<u>31,827</u>
Total Revenues	<u><u>2,476,732</u></u>

EXPENDITURES

Transit Operations	1,410,338
Transit Capital	<u>1,066,394</u>
Total Expenditures	<u><u>2,476,732</u></u>

REVENUES OVER EXPENDITURES	-
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FUND BALANCE

Beginning of Year	<u>-</u>
End of Year	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
MEASURE D PROGRAM
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

On November 8, 2016, the voters of Santa Cruz County, pursuant to the provisions of the Local Transportation Authority and Improvement Act (the Act), California Public Utilities Code, Division 19, Section 180000 et seq., adopted an ordinance approving the Santa Cruz County Transportation Improvement Plan Measure (Measure D), thereby authorizing Santa Cruz County Regional Transportation Commission (SCCRTC) to administer the proceeds from a retail transaction and use tax of one-half of one-percent (0.5%) that will last 30 years from the initial date of collection. The Measure D Ordinance authorizes SCCRTC to allocate, administer, and oversee the expenditure of all Measure D revenues and to distribute revenues no less than quarterly to local agencies (including Santa Cruz Metropolitan Transit District).

All transactions of the Measure D Program by the Santa Cruz Metropolitan Transit District (Santa Cruz METRO) are included as an enterprise fund in the basic financial statements of Santa Cruz METRO. These statements account for Santa Cruz METRO's share of revenues earned and expenditures incurred under Santa Cruz METRO's Transportation for Seniors and People with Disabilities Program. The accompanying financial statements are for the Measure D Program only and are not intended to fairly present the financial position or results of operations of Santa Cruz METRO.

B. Basis of Accounting and Measurement Focus

Santa Cruz METRO uses an enterprise fund format to report its activities for financial statement purposes. The accompanying financial statements are prepared using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenditures are recorded at the time liabilities are incurred regardless of when the related cash flows take place.

C. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2 – MEASURE D PROGRAM

Under Measure D, Santa Cruz METRO receives 16% of the proceeds (after administrative costs) of a one-half cent local sales tax, to be used for transportation-related expenditures. This Measure was adopted with the intention that the funds generated by the sales tax will not fund transportation-related expenditures previously paid for by existing funds, revenues, and other resources, but rather, will be used for additional projects and programs, so as to supplement (and not replace) the revenue funds designated and used for transportation programs and expenditures.

NOTE 2 – MEASURE D PROGRAM (Continued)

Santa Cruz Metropolitan Transit District (Santa Cruz METRO) must receive Board approval of a 5-year Program of Projects prior to expending Measure D funding on any project or program, in accordance with the requirements of the Measure D Master Funding Agreement. The approved 5-year Program of Projects is submitted to the SCCRTC annually, and includes information about each of the projects to be funded with the estimated annual Measure D revenues, allocated according to the Measure D Ordinance and Expenditure Plan.

The major project funded by Measure D was as follows:

Transportation for Seniors and People with Disabilities Program – To provide transit services to seniors and people with disabilities, and to purchase transportation capital improvements.

In fiscal year 2021, \$1,410,338 of Measure D sales tax proceeds were used to fund bus operator wages and benefits in order to sustain ParaCruz service levels during the year. Measure D capital outlays of \$1,066,394 were used to replace existing vehicles in the fleet that had exceeded their maximum useful life: The purchase of four (4) new Proterra zero-emission buses, three (3) new Starcraft Starlite shuttle buses for ParaCruz, and to fund capital lease payments for three (3) New Flyer CNG buses during the year.

NOTE 3 – CASH AND INVESTMENTS

Cash and investments are tracked and held in a separate Measure D fund account in the Santa Cruz County Pooled Investment Fund, and consisted of \$4,973,751 of Measure D sales tax allocations and interest earnings at June 30, 2021.

See Santa Cruz METRO's basic financial statements for disclosures related to the cash and investments as prescribed by GASB Statement No. 40. The basic financial statements may be obtained from Santa Cruz METRO at 110 Vernon Street, Santa Cruz, CA 95060.

NOTE 4 – INTERGOVERNMENTAL RECEIVABLES

Intergovernmental receivables of \$753,881 represent the Measure D Program sales tax allocations for fiscal year 2021 that were received from the Santa Cruz County Regional Transportation Commission (SCCRTC) after June 30, 2021.

NOTE 5 – UNEARNED INCOME

Measure D Program sales tax allocations that are allocated to Santa Cruz METRO during the fiscal year are restricted and reported as liabilities (unearned income) until spent on the specific purpose for which they were intended, as outlined in the 5-Year Program of Projects approved by the Santa Cruz METRO Board of Directors and submitted to the SCCRTC. The balance of unearned Measure D proceeds is currently committed as cost sharing on awarded capital grants in progress.

NOTE 6 – INTERFUND PAYABLE

Interfund payables of \$1,066,394 represent amounts due to Santa Cruz METRO's general operating fund, in order to reimburse the agency for the Measure D Program capital expenditures paid for with Santa Cruz METRO unrestricted monies during the fiscal year.

NOTE 7 – SUBSEQUENT EVENTS

Subsequent events were evaluated by management through December 13, 2021, which is the date of issuance.

SUPPLEMENTARY INFORMATION

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
MEASURE D PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
REVENUES				
Measure D Revenue	\$ 3,500,617	\$ 3,500,617	\$ 2,444,905	\$ (1,055,712)
Interest Income	-	-	31,827	31,827
Total Revenues	<u>3,500,617</u>	<u>3,500,617</u>	<u>2,476,732</u>	<u>(1,023,885)</u>
EXPENDITURES				
Transit Operations	1,410,338	1,410,338	1,410,338	-
Transit Capital	<u>2,090,279</u>	<u>2,090,279</u>	<u>1,066,394</u>	<u>1,023,885</u>
Total Expenditures	<u>3,500,617</u>	<u>3,500,617</u>	<u>2,476,732</u>	<u>1,023,885</u>
REVENUES OVER EXPENDITURES	-	-	-	-
FUND BALANCE				
Beginning of Year	-	-	-	-
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Santa Cruz Metropolitan Transit District
Santa Cruz, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Measure D Program of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Santa Cruz METRO's Measure D Program's financial statements, and have issued our report thereon dated December 13, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Santa Cruz METRO's internal control over financial reporting (internal control), relating to the Measure D Program, as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Santa Cruz METRO's internal control relating to the Measure D Program. Accordingly, we do not express an opinion on the effectiveness of Santa Cruz METRO's internal control relating to the Measure D Program.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Santa Cruz METRO's Measure D Program's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Measure D Program's financial statements are free of material misstatement, we performed tests of Santa Cruz METRO's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance relating to the Measure D Program and the results of that testing, and not to provide an opinion on the effectiveness of Santa Cruz METRO's internal control or on compliance relating to the Measure D Program. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Santa Cruz METRO's internal control and compliance relating to the Measure D Program. Accordingly, this report is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 13, 2021

**INDEPENDENT AUDITOR'S REPORT ON
MEASURE D PROGRAM COMPLIANCE**

To the Board of Directors
Santa Cruz Metropolitan Transit District
Santa Cruz, California

Compliance

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the basic financial statements of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO) Measure D Program as of and for the year ended June 30, 2021, and the related notes, and have issued our report thereon dated December 13, 2021.

Management's Responsibility

Compliance with the requirements referred to above is the responsibility of Santa Cruz METRO's management.

Auditor's Responsibility

Our responsibility is to express an opinion on Santa Cruz METRO's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the agreement between Santa Cruz METRO and Santa Cruz County Regional Transportation Commission (SCCRTC). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on the Measure D Program occurred. An audit also includes examining, on a test basis, evidence about Santa Cruz METRO's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Santa Cruz METRO's compliance with those requirements.

Opinion on Measure D Program

In our opinion, Santa Cruz METRO complied, in all material respects, with the compliance requirements referred to above that are applicable to the Measure D Program for the year ended June 30, 2021.

Internal Control Over Compliance

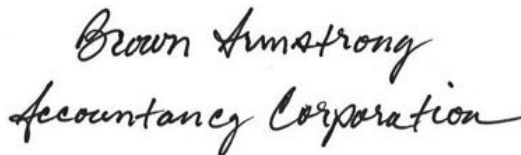
Management of Santa Cruz METRO is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered Santa Cruz METRO's internal control over compliance relating to the Measure D Program as a basis for designing auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance relating to the Measure D Program. Accordingly, we do not express an opinion on the effectiveness of Santa Cruz METRO's internal control over compliance relating to the Measure D Program.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the agreement between Santa Cruz METRO and SCCRTC. Accordingly, this report is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

A handwritten signature in black ink that reads "Brown Armstrong" on the first line and "Accountancy Corporation" on the second line, written in a cursive style.

Bakersfield, California
December 13, 2021

MEASURE D EXPENDITURE REPORT - Direct Allocations

Reporting Year **FY20/21**
 Recipient Agency **Santa Cruz METRO**

Project Description/Location						
#	Project Name	Project Description	Location/Limits (if grouped project, list each location/limit)	Work Done in FY20/21	Construction or Implementation schedule	FY20/21 Measure D Expenditures
1	Key Gov't Finance Principal paid for 3 New Flyer Buses	Capital Project (Veh # 1610, 1611, 1612)	Countywide	Ongoing lease payments	Ongoing payments through FY23/24	\$ 259,182.19
2	VTA Bus Transfer	Capital Project (10 Electric Hybrids: Veh # 4201, 4202, 4203, 4204, 4205, 4206, 4207, 4208, 4209, 4210)	Countywide	Final payments for buses purchased from VTA	Project completed in FY20/21	\$ 7,658.97
3	ParaCruz Van Replacement (FY19 STBG via SCCRTC Match)	Capital Project (Van # 4019)	Countywide	Purchase replacement van	Project completed in FY20/21	\$ 52,132.00
4	Electric Bus (Watsonville Service FY17/18 LCTOP Match)	Capital Project (Veh # 0220)	Countywide	Bus purchase	Project completed in FY20/21	\$ 121,145.59
5	Electric Bus (Watsonville Service FY15/16 LCTOP Match)	Capital Project (Veh # 0120)	Countywide	Bus purchase	Project completed in FY20/21	\$ 65,416.62
6	Electric Buses (STIP, LPP Match)	Capital Project (Veh # 0320, 0420)	Countywide	Bus purchase	FY22/23	\$ 553,471.86
7	Electric Bus (FTA FY16 5339c LoNo Match)	Capital Project	Countywide	Preliminary specs/Infrastructure/Bus purchase	FY23/24	\$ 7,386.41
8	Fixed route - 9 operators (average cost of Operator with benefits plus cost of mileage driven in year)	Operational Support	Service throughout system	Ongoing operations/service	Ongoing	\$ 1,322,554.00
9	Sustaining of Paracruz service levels - 1 operator minus farebox recovery	Operational Support	Service throughout system	Ongoing operations/service	Ongoing	\$ 87,784.00
Total						\$ 2,476,731.64

MEASURE D EXPENDITURE REPORT

#	Project Name	Prior Year Measure D Expenditures (if applicable)				Measure D TOTAL SPENT through reporting year	(Est) Future Year(s) Measure D Expenditures	Leveraged Funds, if any	
		FY16/17 Measure D Expenditures on this project	FY17/18 Measure D Expenditures	FY18/19 Measure D Expenditures	FY19/20 Measure D Expenditures			Leveraged Fund Amounts (grants & other funds where Meas. D used as match)	Leveraged Fund Source(s) Name(s)
1	Key Gov't Finance Principal paid for 3 New Flyer Buses		\$ 138,899.45	\$ 243,912.21	\$ 251,431.30	\$ 893,425.15	\$ 659,825.00	\$ -	\$ -
2	VTA Bus Transfer			\$ 209,353.88	\$ 105,270.23	\$ 322,283.08	\$ -	\$ -	\$ -
3	ParaCruz Van Replacement (FY19 STBG via SCCRTC Match)					\$ 52,132.00	\$ -	\$ 209,719.25	STBG & Reserves
4	Electric Bus (Watsonville Service FY17/18 LCTOP Match)					\$ 121,145.59	\$ -	\$ 906,933.00	FY17/18 LCTOP
5	Electric Bus (Watsonville Service FY15/16 LCTOP Match)					\$ 65,416.62	\$ -	\$ 1,112,399.35	FY15/16 LCTOP & PTMISEA
6	Electric Buses (STIP, LPP Match)					\$ 553,471.86	\$ 103,339.00	\$ 1,656,000.00	STIP & LPP
7	Electric Bus (FTA FY16 5339c LoNo Match)					\$ 7,386.41	\$ 1,082,037.00	\$ 41,856.00	FTA FY16 5339c
8	Fixed route - 9 operators (average cost of Operator with benefits plus cost of mileage driven in year)	some-shown FY17/18	\$ 1,695,024.17	\$ 1,294,128.00	\$ 1,235,871.00	\$ 5,547,577.17	\$ -		
9	Sustaining of Paracruz service levels - 1 operator minus farebox recovery	some-shown FY17/18	\$ 105,203.06	\$ 74,848.00	\$ 76,387.00	\$ 344,222.06	\$ -		

MEASURE D EXPENDITURE REPORT

#	Project Name	Total Project Cost	Consistency with 5-year plan			Measure D use	
			Project in approved 5-year plan? (yes/no)	CEQA compliance (List type of doc & certification date - ex. CE, 5/1/18)	Project Completion Date (actual or estimate)	FY20/21 Measure D-funded Capital Costs	FY20/21 Measure D-funded Non-capital
1	Key Gov't Finance Principal paid for 3 New Flyer Buses	\$ 1,553,250.15	Yes	Not subject to CEQA	FY23/24	100%	
2	VTA Bus Transfer	\$ 322,283.08	Yes	Not subject to CEQA	FY20/21	100%	
3	ParaCruz Van Replacement (FY19 STBG via SCCRTC Match)	\$ 261,851.25	Yes	Not subject to CEQA	FY20/21	100%	
4	Electric Bus (Watsonville Service FY17/18 LCTOP Match)	\$ 1,028,078.59	Yes	Not subject to CEQA	FY20/21	100%	
5	Electric Bus (Watsonville Service FY15/16 LCTOP Match)	\$ 1,177,815.97	Yes	Not subject to CEQA	FY20/21	100%	
6	Electric Buses (STIP, LPP Match)	\$ 2,312,810.86	Yes	Not subject to CEQA	FY22/23	100%	
7	Electric Bus (FTA FY16 5339c LoNo Match)	\$ 1,131,279.41	Yes	Not subject to CEQA	FY23/24	100%	
8	Fixed route - 9 operators (average cost of Operator with benefits plus cost of mileage driven in year)	\$ 5,547,577.17	Yes	Not subject to CEQA	Ongoing		100%
9	Sustaining of Paracruz service levels - 1 operator minus farebox recovery	\$ 344,222.06	Yes	Not subject to CEQA	Ongoing		100%

Measure D Transportation for Seniors and People with Disabilities Program

Performance Measures

AGENCY: Santa Cruz Metropolitan Transit District

Direct Allocation recipients are to document the performance and benefits of the projects and programs funded with Measure D funds. The following performance measures are a selection of performance standards to

Submittal date: 12/31/2021

Performance Measure	Performance Metric and Standard	Fixed Route - FY16/17 (Baseline)	Fixed Route Current Numbers - FY20/21	Corrective Action (If applicable)	Paratransit Baseline - FY16/17	Paratransit Current Numbers - FY20/21	Corrective Action (If applicable)
Ridership/Service Utilization				<i>Provide information on why numbers went down</i>			<i>Provide information on why numbers went down</i>
▪ Annual Ridership	Change in annual ridership and passenger trips per revenue vehicle hour and mile and qualitative explanation for possible reasons.	5,091,394	907,140	COVID-19 negatively impacted ridership	75,116	38,974	COVID-19 negatively impacted ridership
▪ Passenger trips per revenue vehicle service hour (Pax/VRH)		24.38	6.04	COVID-19 negatively impacted ridership	1.90	1.69	COVID-19 negatively impacted ridership
▪ Passenger trips per revenue vehicle service miles (Pax/VRM)		1.76	0.43	COVID-19 negatively impacted ridership	0.16	0.17	N/A
Cost Effectiveness				<i>Any agency with significant increase in costs must provide an explanation</i>			<i>Any agency with significant increase in costs must provide an explanation</i>
▪ Operating Cost per Passenger (\$/Pax)	Maintain operating cost per passenger, per revenue vehicle hour, per revenue mile, or trip; percentage increase less than or equal to inflation as measured by CPI	\$7.90	\$48.36	Payroll increases in FY20 combined with reduced service due to COVID-19 related ridership decreases	\$65.29	\$131.18	Payroll increases in FY20 combined with reduced service due to COVID-19 related ridership decreases
▪ Operating Cost per Revenue Vehicle Hour (\$/VRH)		\$192.56	\$292.04	Payroll increases in FY20 combined with reduced service due to COVID-19 related ridership decreases	\$124.25	\$152.79	Payroll increases in FY20 combined with reduced service due to COVID-19 related ridership decreases
▪ Operating Cost per Revenue Vehicle Mile (\$/VRM)		\$13.89	\$20.59	Payroll increases in FY20 combined with reduced service due to COVID-19 related ridership decreases	\$10.75	\$21.78	Payroll increases in FY20 combined with reduced service due to COVID-19 related ridership decreases
Cost per Trip (\$/Trip)		\$226.16	\$343.00	Payroll increases in FY20 combined with reduced service due to COVID-19 related ridership decreases	N/A	N/A	N/A
State of Good Repair				<i>Provide information on plan to keep bus and paratransit vehicles in state of good repair.</i>			<i>Provide information on plan to keep bus and paratransit vehicles in state of good repair.</i>
▪ Average age of bus and paratransit vehicles	Reduce average age of fleet/number of vehicles beyond useful life	12.46	12.06	Transit Asset Management Performance Measure Targets, submitted to NTD in RY20 Report Package.	7.25	6.41	Transit Asset Management Performance Measure Targets, submitted to NTD in RY20 Report Package.
▪ Number of vehicles beyond useful life		49	34	Transit Asset Management Performance Measure Targets, submitted to NTD in RY21 Report Package.	33	14	Transit Asset Management Performance Measure Targets, submitted to NTD in RY20 Report Package.
Service Provision				<i>Any agency not meeting expected performance must provide an explanation and a description of how service provision will be met in the future.</i>			<i>Any agency not meeting expected performance must provide an explanation and a description of how service provision will be met in the future.</i>
▪ Service hours/span	Maintain or increase service span - goal is 7 days/week, 20 hours per day	Weekday (5 days) : 21.08 hours	Weekday (5 days): 19.83 hours	N/A	Weekday (5 days): 21.08 hours	Weekday (5 days): 19.83 hours	N/A
		Weekend (2 days) : 18.67 hours	Weekend (2 days): 18.78 hours		Weekend (2 days): 18.67 hours	Weekend (2 days): 18.78 hours	

Performance Measure	Performance Metric and Standard	Fixed Route - FY16/17 (Baseline)	Fixed Route Current Numbers - FY20/21	Corrective Action (If applicable)	Paratransit Baseline - FY16/17	Paratransit Current Numbers - FY20/21	Corrective Action (If applicable)
▪ Frequency on major corridors or trunk lines	Maintain or increase frequencies, revenue hours, miles, routes, and service areas.	0.25	0.25	UCSC	N/A	N/A	There is no scheduled frequency on paratransit service as it is on-demand service.
		0.50	0.50	Cabrillo/South County			
		0.50	0.50	Scotts Valley/San Lorenzo Valley			
▪ Revenue hours		208,797	150,232	Reduced service due to COVID-19 related ridership decreases	39,474	23,092	Reduced service due to COVID-19 related ridership decreases
▪ Revenue miles		2,895,295	2,131,707	Reduced service due to COVID-19 related ridership decreases	456,208	234,764	Reduced service due to COVID-19 related ridership decreases
▪ Service areas		UZA 204 (Santa Cruz)	UZA 204 (Santa Cruz)	N/A	UZA 204 (Santa Cruz)	UZA 204 (Santa Cruz)	N/A
		UZA 378 (Watsonville)	UZA 378 (Watsonville)		UZA 378 (Watsonville)	UZA 378 (Watsonville)	
					0-CA (Non-UZA within Santa Cruz County)	0-CA (Non-UZA within Santa Cruz County)	
▪ Number of routes		26	24	Route 33/34 were eliminated due to consistently low ridership. Trips were monitored for 2 years before elimination.	N/A	N/A	Paratransit service is on demand and operates within 0.75 miles of any operating bus route.
Service Operations and Provisions	Track number of seniors or people with disabilities served by program. Service types: ADA mandated paratransit, door-to-door service, taxi programs, accessible van service, shuttle service, group trips, travel training, meal delivery, and fixed-route transit			<i>Report on ridership or service data. Explain reasons for ridership reductions.</i>			<i>Report on ridership or service data. Explain reasons for ridership reductions.</i>
Number of people served or trips provided to seniors or people with disabilities		659,799	258,950	COVID-19 negatively impacted ridership	75,116	38,974	COVID-19 negatively impacted ridership
Percent of fixed route service used by seniors and people with disabilities		12.96%	28.55%	N/A	100.00%	100.00%	N/A
METRO: Budget Apportionment	Maintain paratransit operating budget and service.			<i>If other funds shifted from one program to another, provide explanation</i>			<i>If other funds shifted from one program to another, provide explanation</i>
Paratransit and Fixed Route % of Total Operating Expenses		89.12%	89.56%	N/A	10.87%	10.44%	N/A
Leveraged Funds	Report total grants and other funding secured using Measure D revenues as a match.			<i>Explain if Measure D funds fully funding projects.</i>			<i>Explain if Measure D funds fully funding projects.</i>
		N/A	\$18,407,984	N/A	N/A	\$864,473	N/A
Total Measure D Leveraged Funds divided by total passengers during period.		N/A	\$20.29	N/A	N/A	\$22.18	N/A

MEASURE D

Annual Maintenance of Effort Compliance Report

Reporting Fiscal Year: **FY20/21**

AGENCY CONTACT INFORMATION

Agency Name: **Santa Cruz Metropolitan Transit District**

Date: 12/23/2021

Primary Point of Contact

Name: John Urgo

Title: Planning and Development Director

Phone: (831) 420 - 2537

Email: JUrgo@scmtd.com

Agency's Certification of True and Accurate Reporting by Submission

By submitting this Compliance Report to the Santa Cruz County Regional Transportation Commission, the submitting agency certifies the compliance information reported is true and complete to the best of their knowledge, and the dollar figures in the agency's Audited Financial Statement matches exactly to the revenues and expenditures reported herein.

Program Compliance Report Structure

This Reporting Form is broken into the following sections for the Measure D Direct Local Allocation Programs applicable to the recipient agency.

- * **Cover - Agency Contact**
- * **Table 1 -MOE Baseline Calculation: Summary of Average Revenue and Expenditures**

Measure D Maintenance of Effort (MOE) Baseline Calculation Form

Original Baseline Calculation Due to RTC by August 1, 2017

Jurisdiction:

Santa Cruz Metropolitan Transit District

FY21

Calculation of Annual Average Transportation Expenditures/Baseline MOE:

Revenue Sources by Expenditure Category (update source names & categories as appropriate for your agency)

e.g. categories: Fixed-Route Service, paratransit service, streetsweeping, pavement, bike, ped, etc.

REVENUES - Enter the total revenues expended in previous Fiscal Years (for transportation) from all local sources and state/fed formula programs. (update with actual source names)	BASELINE = pre-Measure D						
	Total Expenditure by Year						
	FY20/21 Actual	FY19/20 Actual	FY18/19 Actual	FY17/18 Actual	FY16/17 Actual	FY15/16 Actual	FY14/15 Actual
Fares	\$ 4,898,901	\$7,733,702	\$10,238,962	\$10,280,559	\$9,720,869	\$9,923,862	\$9,796,024
TDA	\$ 7,096,904	\$7,930,060	\$7,288,209	\$6,767,933	\$6,804,838	\$6,377,491	\$6,444,515
1979 1/2 cent County Sales Tax	\$ 24,836,116	\$21,587,491	\$22,473,422	\$21,526,675	\$20,338,220	\$19,712,551	\$18,763,918
Formula federal fund sources (FTA 5307, 5311)	\$ 13,702,633	\$23,134,605	\$4,588,748	\$4,197,074	\$4,371,936	\$4,302,399	\$4,346,251
Fuel Tax Credits	\$ 253,765	\$826,532	\$0	\$354,826	\$284,419	\$972,922	\$638,208
State Transit Assistance	\$ 3,425,215	\$4,346,687	\$4,253,929	\$3,196,463	\$2,041,333	\$1,795,529	\$2,717,443
STIC	\$ 2,702,626	\$2,619,113	\$2,424,031	\$2,542,610	\$2,083,750	\$1,323,588	\$1,344,113
Other (Advertising, commissions, rent, etc.)	\$ 722,141	\$1,041,108	\$832,654	\$621,069	\$608,943	\$531,649	\$539,819
Transfers from Reserves	\$ -	\$0	\$0	\$0	\$0	\$2,650,380	\$508,731
Misc Grant funding	\$ -	\$0	\$111,284	\$104,412	\$9,749	\$89,278	\$29,488
Measure D	\$ 3,871,334	\$3,376,695	\$3,492,041	\$3,362,419	\$530,808	\$0	\$0
Transfer to Capital (negative)	\$ (2,460,996)	\$ (2,277,191)	\$ (2,329,321)	\$ (2,326,003)	\$ (370,000)	\$ (972,922)	\$ -
Transfer to Reserves	\$ (10,065,423)	\$ (18,877,944)	\$ (4,264,912)	\$ (3,948,234)	\$ (1,314,839)	\$ -	\$ -
Average Annual MOE Revenues	\$48,983,216	\$51,440,857	\$49,109,047	\$46,679,803	\$45,110,026	\$46,706,727	\$45,128,510
Capital Revenues/Expenses	\$ 6,367,076	\$ 7,750,816	\$ 3,146,852	\$2,901,317	\$3,876,023	\$7,850,321	\$9,592,752
MOE Baseline (Avg 3 to 5 years prior to Measure D)	\$45,648,421						
MOE Exclusions*	\$13,402,960	\$12,415,711	\$11,266,708	\$10,290,973	\$8,781,438	\$8,394,438	\$9,046,015
Excluded special one-time grants	\$ 6,681,279	\$18,511,226	\$111,284	\$104,412	\$9,749	\$89,278	\$29,488
Excluded funds carried over from prior years							
Total Average Annual Transportation Expenditures	\$35,580,256	\$39,025,146	\$37,842,339	\$36,388,830	\$36,328,588	\$38,312,289	\$36,082,495

Expenditures - Enter amount expended and amounts spent on various transportation purposes in previous Fiscal Years. (update with applicable categories, based on your agency's budget/financial statements)	FY20/21	FY19/20	FY18/19	FY17/18	FY16/17	FY15/16	FY14/15
Total (Fixed Route and ParaCruz)							
Labor/Fringe	\$ 40,045,253	\$42,334,662	\$39,358,134	\$38,175,179	\$37,844,695	\$38,488,362	\$36,980,374
Purchased Transportation	\$ -	\$0	\$0	\$0	\$100,760	\$71,470	\$170,746
Services	\$ 3,915,844	\$4,021,857	\$3,955,287	\$3,230,876	\$2,862,729	\$2,690,099	\$2,649,090
Materials, Supplies, Utilities	\$ 2,175,392	\$2,519,540	\$2,842,712	\$3,716,227	\$3,705,135	\$3,933,410	\$4,382,700
Casulty and Liability	\$ 912,302	\$800,601	\$1,067,132	\$696,292	\$107,929	\$877,037	\$491,907
Other (Taxes, Misc., Leases/Rentals	\$ 1,934,423	\$1,764,197	\$1,885,782	\$861,229	\$488,778	\$646,348	\$453,692
Total (Fixed Route and ParaCruz) Expenses	\$48,983,216	\$51,440,857	\$49,109,047	\$46,679,803	\$45,110,026	\$46,706,727	\$45,128,510
ParaCruz (Paratransit)							
Labor/Fringe	\$ 4,758,643	\$4,897,826	\$4,654,001	\$4,487,291	\$4,219,141	\$4,770,376	\$4,693,236
Purchased Transportation	\$ -	\$ -	\$ -	\$ -	\$ 100,760	\$71,470	\$170,746
Services	\$ 51,430.00	\$54,702	\$88,837	\$152,817	\$69,605	\$78,634	\$76,741
Materials, Supplies, Utilities	\$ 217,213.00	\$289,876	\$305,141	\$269,929	\$229,790	\$304,406	\$314,216
Casulty and Liability	\$ 137,787	\$125,911	\$105,188	\$80,431	\$68,569	\$96,886	\$91,826
Other (Taxes, Misc., Leases/Rentals	\$ 213,369	\$188,649	\$195,461	\$227,870	\$216,769	\$173,246	\$169,169
Total ParaCruz MOE Expenses	\$5,378,442	\$5,556,964	\$5,348,629	\$5,218,337	\$4,904,633	\$5,495,018	\$5,515,934
Capital Revenues/Expenses	\$ 6,367,076	\$7,750,816	\$3,146,852	\$2,901,317	\$3,876,023	\$7,850,321	\$9,592,752

Source/location of supporting budget or fiscal statement documentation.

E.g. Annual Financial Statements; Fiscal audit; adjusted annual budget; State Controller Road Report, etc.

Certification:

I hereby certify that the Santa Cruz METRO has budgeted and will meet the Maintenance of Effort requirement for Fiscal Year FY21

Kristina Mihaylova

Finance Director Signature

12/23/21

Date

*Funding sources excluded from MOE calculation are listed for information purposes and will make it easier to reconcile this report against annual budgets. Excluded sources include special, non-formula, competitive grants, and/or past revenues carried over for special projects and/or emergencies. This includes one-time grants - such as RSTP/STBG, STIP, ATP, ARRA, FEMA, HSIP, FTA5310, No & Low Emission Bus program.

General Compliance Reporting:

Confirm completion of the following Measure D Agreement requirements during the reporting year. The RTC shall utilize information from Recipient on expenditures to prepare a comprehensive report to the public on the expenditure of Measure D revenues.

REPORTING YEAR: **FY20/21**

Recipient Agency: **Santa Cruz Metropolitan Transit District**

Public Information/ Outreach	Date	Documentation (ex. copy of resolution, minutes, notices, articles, webpage, signage, etc.) - please attach.	Comments, additional info. If applicable, briefly explain why publicity requirement was not completed
Date Initial 5-Year Plan Adopted	6/25/2021	Resolution	part of overall annual budget adoption
Date of 5-Year Plan Public Hearing	6/25/2021	Staff report	part of overall annual budget adoption
Date of annual audit of Measure D Expenditures	12/31/2021	audit	attached
News Article	6/25/2021	Public Hearing Notice	Notice of public hearing held on 6/25/2021 for the adoption of FY21 and FY22 budget, including Measure D funds.
Website with info on Meas. D projects	ongoing	Annual budget details use of Measure D funds	https://www.scmtd.com/images/department/finance/financials
Map of Measure D-funded Projects	NA	Factsheet	Projects and drivers funded by Measure D cover entire service area; Watsonville Circulator map attached
Photos (before/after)	NA		Watsonville Circulator ribbon cutting
Signage	ongoing	Stickers have been placed on buses and vans	
Describe any other public outreach conducted during the reporting year about Measure D	Measure D budget outreach was conducted as part of the annual budget public comment period, concluding with a public hearing on 6/25/21.		

Maintenance of Effort

FY20/21 LOCAL funds spent on multimodal local road repairs & maintenance (excludes formula state & fed funds, special grants)	\$ 35,580,256	Locally-generated funds
Maintenance of Effort BASELINE (should match MOE report submitted to RTC in 2017)	\$ 45,648,421	Pre-Measure D Baseline of average of locally-generated revenues and expenditures for transportation purposes in the three fiscal years prior to the start of Measure D allocations to recipient agencies (FY16/17, FY15/16, FY14/15).
FY20/21 LOCAL (exclude HUTA, formula state & fed funds) funds BUDGETED on multimodal local road repairs & maintenance	\$ 42,471,226	Locally-generated funds beyond HUTA or Measure D (ex. general funds, city tax, developer fees, etc.)
If FY20/21 local expenditures were lower than the baseline amount, explain why. (e.g. emergencies, extraordinary event - fires, etc.) Recipient agencies have up to three fiscal years to meet the adjusted minimum local revenue expenditure requirement.	FY15-17 were used to establish the baseline amount. FY17 was the first year operating after a substantial cut to service. Additionally, service expenditures were reduced in FY20 due to reduced ridership as a result of COVID-19.	
Does your agency have an indirect cost allocation plan?	No	If "no", Measure D funds cannot be used for indirect costs.
Cities/County Only: Does your agency have an adopted Complete Streets policy?	NA	

Contacts

Administrative officer or designated staff available to report on or answer any and all inquiries in regard to Recipient's receipt, usage, and/or compliance audit findings regarding Measure D funds before the RTC and/or the Independent Oversight Committee or RTC advisory committees, as applicable.

Name	Title/Measure D tasks	Phone/email
John Urgo	Projects	jurgo@scmtd.com
Kristina Mihaylova	Revenue/Expenditures	kmihaylova@scmtd.com

Measure D: 5-Year Program of Projects (FY20/21-FY24/25)

Agency: Santa Cruz METRO

Expenditure Plan Category: Transportation for E&D

Measure D Revenues

	FY20/21	FY21/22	FY22/23	FY23/24	FY24/25
Estimated Annual Measure D Allocations (update for your agency per RTC notice)	\$3,500,617	\$3,535,623	\$3,588,658	\$3,660,431	\$3,733,639

		Amount of Measure funds to be used					Total cost estimate	Other Funds \$	Other fund sources	Est. Construction start date	Major project? * (yes/no)
Name/Road/ limits	Description, complete streets components	Total Measure D	FY21	FY22	FY23	FY24					
Fixed route - 4 operators (average cost of Operator with benefits plus cost of mileage driven in year)	frequency, span of service - Routes 35, 40, 41, 68, 69A, 71, 72, 75, 79, 91X		587,802	610,842	625,743	637,718	648,584				
Fixed route - 4 operators (average cost of Operator with benefits plus cost of mileage driven in year)	Extra Board staffing to ensure reliability/delivery of all service Route 71 weekend - 17 additional trips to provide 30 minute frequency in/outbound for 8 hours during the days		587,802	610,842	625,743	637,718	648,584				
Fixed route - 1 operator (average cost of Operator with benefits plus cost of mileage driven in year)			146,950	152,711	156,436	159,430	162,146				
Sustaining of ParaCruz service levels	1 operator minus farebox recovery		87,784	93,196	96,080	99,528	102,360				
Total Operations support			1,410,338	1,467,591	1,504,002	1,534,394	1,561,674				
Capital - vehicle replacement			2,090,279	2,068,032	2,084,656	2,126,037	2,171,965				
	Measure D funding received by METRO will be used to increase Fixed-route service, sustain ParaCruz service, maintain service reliability, and to allow for the purchase of new Fixed-route buses and ParaCruz vans.	18,018,968	\$3,500,617	\$3,535,623	\$3,588,658	\$3,660,431	\$3,733,639		Fares, 1979 Sales Tax, TDA, FTA 5307, STA, STIC, Fuel Tax Credits	Non-applicable	Non-applicable
Fixed-route bus and ParaCruz operations											
Estimated Annual Measure D Expenditures			\$3,500,617	\$3,535,623	\$3,588,658	\$3,660,431	\$3,733,639				
Carry over to next fiscal year			\$0	\$0	\$0	\$0	\$0				
Annual Interest Earnings on Measure D Revenues				\$0	\$0	\$0	\$0				

Measure D: 5-Year Program of Projects (FY20/21-FY24/25)

Agency: Santa Cruz METRO

Expenditure Plan Category: Transportation for E&D

Measure D Revenues												
Estimated Annual Measure D Allocations <i>(update for your agency per RTC notice)</i>			FY21/22	FY22/23	FY23/24	FY24/25	FY25/26					
			\$3,556,627	\$3,627,760	\$3,700,315	\$3,774,321	\$3,849,807					
			Amount of Measure funds to be used									
Name/Road/ limits	Description, complete streets components	Total Measure D	FY22	FY23	FY24	FY25	FY26	Total cost estimate	Other Funds \$	Other fund sources	Est. Construction start date	Major project? * (yes/no)
Fixed route - 4 operators (average cost of Operator with benefits plus cost of mileage driven in year)	frequency, span of service - Routes 35, 40, 41, 68, 69A, 71, 72, 75, 79, 91X		583,388	600,304	614,916	628,484	636,540					
Fixed route - 4 operators (average cost of Operator with benefits plus cost of mileage driven in year)	Extra Board staffing to ensure reliability/delivery of all service		583,388	600,304	614,916	628,484	636,540					
Fixed route - 1 operator (average cost of Operator with benefits plus cost of mileage driven in year)	Route 71 weekend - 17 additional trips to provide 30 minute frequency in/outbound for 8 hours during the days		145,847	150,076	153,729	157,121	159,135					
Sustaining of ParaCruz service levels	1 operator minus farebox recovery		98,206	100,294	103,434	106,453	107,700					
Total Operations support			1,410,829	1,450,978	1,486,995	1,520,542	1,539,915					
Capital - vehicle replacement & improvements	Funds will be used to maintain METRO's fixed-route and ParaCruz bus fleet in a state of good repair. In addition, \$1 million per year for four successive years starting in FY20 will be dedicated to the refurbishment/rehabilitation, complete rebuild, or total redevelopment of Santa Cruz Metro Center (Pacific Station).		2,145,798	2,176,782	2,213,320	2,253,779	2,309,892					
Fixed-route bus and ParaCruz operations	Measure D funding received by METRO will be used to increase Fixed-route service, sustain ParaCruz service, maintain service reliability, and to allow for the purchase of new Fixed-route buses and ParaCruz vans.	18,508,830	\$3,556,627	\$3,627,760	\$3,700,315	\$3,774,321	\$3,849,807			Fares, 1979 Sales Tax, TDA, FTA 5307, STA, STIC, Fuel Tax Credits	Non-applicable	Non-applicable
Estimated Annual Measure D Expenditures			\$3,556,627	\$3,627,760	\$3,700,315	\$3,774,321	\$3,849,807					
Carry over to next fiscal year			\$0	\$0	\$0	\$0	\$0					
Annual Interest Earnings on Measure D Revenues				\$0	\$0	\$0	\$0					

WATSONVILLE CIRCULATOR ROUTE

Powered by All-Electric Zero Emission Buses



Clockwise Loop

Departs from Lane 1



scmtd.com





Santa Cruz Metropolitan Transit District

ELECTRIC BUS PLAN 2021



FACT SHEET
March 31, 2021



METRO's 2021 Electric Bus Plan

Timeline

- METRO is expecting to receive four electric buses by the end of April 2021.
- As of March 2021, METRO has received two of the four electric buses.

Electric Bus Deployment

- Two of the four buses will be used for a Zero-Emission Watsonville Circulator Operating Project. The Project will deploy METRO's battery-electric buses on a new circulator route in Downtown Watsonville in the fall of 2021.
- METRO's remaining two electric buses can be placed into revenue service anywhere in Santa Cruz County. METRO staff is still working on route, charge, and rate analysis of the route and the Proterra bus to determine how to best deploy these buses into service.

Watsonville Circulator Route Details

- The new Watsonville Circulator Route is designed to reduce the number of riders using intercity buses for local trips and increase the number of transit passengers by providing more frequent service to desirable destinations in Watsonville between 10am and 8pm daily.
- METRO's plan is to place two of the electric buses into revenue service in the Watsonville area at the start of the circulator, in fall of 2021.
- The Watsonville Circulator Route connects the Watsonville Transit Center with primary retail and medical destinations in Watsonville. Stops will begin at the Watsonville Transit Center (WTC), Beach/Lincoln-Lincoln/Freedom, Freedom/Airport-Airport/Green Valley, and Main/Rodriguez-WTC, connecting commuters with existing local and intercity Bus Lines 69A, 72/72W, 74S, 75, and 79, making it a critical link for low-income families.

Charging the Proterra Electric Bus

- The Proterra electric bus will take approximately 4.5 – 5 hours to fully charge from zero, but this can change depending on the type of charger being used and the output power that charger has.

Proterra Electric Bus Range

- The range of the vehicle depends on several factors, including temperature during operations, operator efficiency, and the amount of Regen Braking used.
- Range can typically be between 205-329 miles on a full charge.

Proterra Expected Battery Life Cycle

- The batteries are designed to last the 12-year lifecycle of the vehicle.
- After that time, there is still useful life in the battery packs after the 12-years that can be used for stationary demand management, etc.
- Proterra batteries are designed to deliver more than 4,000 recharge cycles over the full 12-year service life of a transit bus.

Proterra Battery Recycling

- Proterra can recycle up to 95% of the metals used in the battery packs.
- Proterra's battery technology has been proven over 17 million miles, driven by its fleet of transit vehicles across North America.

Proterra Bus Testing

- Proterra has completed full Altoona Testing, plus an 18-year Life Cycle 4-post Shaker Test.
- Each bus goes through a 200-fault free mileage test prior to delivery.
- Proterra battery packs are designed with rigorous testing protocols to replicate a full 12-year service life of a transit bus under the toughest conditions, including extreme heat, cold, water submersion, vibration, and impact.

Electric Bus Cost Savings

- Based on the CARB Benefit calculator tool for LCTOP, METRO anticipates cost savings by not using gas.
 - Energy and Fuel Cost Savings: \$73,370
- Savings can be anywhere between 50-70% when comparing fuel costs to electricity costs.
- Over the life of the vehicle, labor, and maintenance cost savings can be up to 40%.
- Battery-electric buses offer the best total cost of ownership, the lowest operating costs, and the least cost volatility when compared to combustion engine vehicles.

METRO Electric Bus Funding

- Funding for this project is currently available from various identified sources at a total budget of \$5,254,315.
- METRO has combined the scopes of work from various sources of funding into one project to purchase four ZEB replacement buses:
 - METRO received \$709,292 from the FY2015-16 LCTOP program to purchase one ZEB for Watsonville Circulator. Additional funding in amount of \$357,216 in Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA), \$150,000 in the

Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) and \$185,051 in Measure D were needed to purchase the first ZEB.

METRO Electric Bus Funding cont...

- METRO received \$863,102 from the FY2017-18 LCTOP program. Additional funding in amount of \$150,000 in HVIP and \$231,843 in **Measure D** were needed to purchase the second ZEB for the Watsonville service area.
- In October 2018, METRO received \$1,656,000 from CTC's STIP and LPP funding to purchase two ZEBs. Additional funding in amount of \$300,000 in HVIP and \$651,811 in **Measure D** were needed to purchase the two ZEBs.

METRO's Zero Emission Bus Plan

- METRO will be procuring three additional zero emission over-the-road coaches for Highway 17.
- As a small transit agency, METRO may not be able to develop specifications to issue an RFP/IFB. We are working with a consortium of transit operators to identify a 45' over-the-road coach model that will meet METRO's performance needs on the Highway 17 corridor.
- This project has already been funded through FTA FY16 Low-No grant but METRO was unable to purchases these buses because we were unable to find zero emission over-the-road coaches that would meet its performance requirement for the Highway 17 route.
- The FTA has allowed a "Lift and Lower" of the drawdown restriction so that METRO can process one drawdown request for the sole purpose of continuing to construct the depot charging infrastructure related to this grant.
- Now, METRO believes zero emission over-the-road coaches that could meet its performance needs are commercially available. METRO is now in the early stages of developing an RFP.

