

**San Mateo County Transit District (SamTrans) Board Liaison Report
Meeting of June 4, 2025**

SamTrans Board of Directors Received and Approved the Following Items

- Approval of Minutes of the Board of Directors Meeting of May 7, 2025
- Accept Statement of Revenues and Expenses for the Period Ending April 30, 2025
- Accept Quarterly Fuel Hedge Update for Quarter 3 of Fiscal Year 2025
- Authorizing Execution of Contracts and Amendments for Information Technology Hardware, Software, Licenses, Maintenance Services and Professional Services, and Technology-related Products and Services, Through Piggyback Contracts and Cooperative Purchasing Programs up to an Aggregate Not-to-Exceed Limit of \$8 Million for Fiscal Year 2026
- Supporting and Authorizing Submittal of Four Applications for the San Mateo County Transportation Authority's 2025 Cycle 1 Measure W Regional Transit Connections Program Call for Projects
- Rejecting All Proposals Submitted in Response to the Request for Proposals for Contracted Shuttle Services, and Authorizing an Amendment to the Current Contracted Shuttle Services Agreement to Extend the Term for Two Years and Increase the Total Not-To-Exceed Amount by \$15,986,584

Report of the Chair

On May 18 to 20, 2025, Acting Chair Chuang attended American Public Transportation Association (APTA) Legislative Conference in Washington, District of Columbia with General Manager/CEO April Chan and Government and Community Affairs Officer Amy Linehan, and on May 21, attended lobby day for the Hydrogen Fuel Cell Bus Council (HFCBC) with Ms. Chan and Director of Maintenance David Harbour. Discussions surrounded the current federal landscape, outlook on transportation funding, and the process to get to the next transportation reauthorization, and heard from federal administration transportation officials and senators. Met with local representations to discuss SamTrans ridership recovery and joined Metropolitan Transportation Commission (MTC) delegation to meet with House Appropriations Committee staff and Senate Environment and Public Works Committee.

On May 30, Caltrain Governance ad hoc committee met to continue discussions on a terms of potential revised Joint Powers Agreement with Caltrain partners. On May 30, Innovative Clean Transit ad hoc committee met to discuss ongoing funding for fuel cell bus purchase and construction of hydrogen fuel station.

Proclamation for Pride Month – Tasha Bartholomew, Director, Communications, provided the staff presentation including reading several Whereas statements from the proclamation.

Report of the General Manager/CEO

April Chan, General Manager/CEO, provided a report which included the following:

- Clipper 2 rollout slated to begin in August with several months of rollout, with the hope that all transit agencies will be fully transitioned by end of calendar year; Clipper 2.0 would allow for open payment system which allows riders to use debit or credit card in addition to the Clipper cards
- Successful electronic bidding system implemented for bus operations
- New run book comes out June 15 with no school service during summer; Fall run book begins August 3 with resumption of school service
- Summer youth pass with unlimited rides now available
- Upcoming Pride events participation with SamTrans wrapped bus on June 14 at City of San Mateo, June 22 at City of Half Moon Bay, and June 29 at San Francisco

Monthly New Headquarters Construction Status Update – Kris McGee, Managing Principal at Urban Hive Development, and Joshua Mello, Executive Officer of Planning and Development, provided the presentation that included the following information:

- Project committed / percent complete at 7.39 percent with expected increases next month
- Active construction site and continue procurement for non-tenant improvements
- Upcoming activities of mechanical, electrical, and plumbing; submittals for product release; verification of furniture, audio/visual, and power
- Mitigate risk register tariff item by releasing materials early

The Board Members had a robust discussion and staff provided further clarification in response to the Board comments and questions, which included the following:

- Currently one retail tenant and landlord actively recruiting to fill available retail spaces
- Occupied and vacant spaces for commercial leases; half of fourth floor available to rent and staff is actively marketing the remaining approximately 25,000-square-foot space

Explore childcare center in the available retail space; discussions with City of Millbrae but will need to overcome local and state regulations and challenges to put childcare at a location without open space Director Speier requested list of challenges so we can explore ways to overcome them.

Community Relations Committee

Accessible Services Update – Tina Dubost, Manager, Accessible Services, stated June 5 is Senior Day at San Mateo County Fair and mobility ambassadors will be present to promote services and to provide copies of Senior Mobility Guides.

Citizens Advisory Committee Update – Deferred

Paratransit Advisory Council Update – Ben McMullan, PAC Chair, stated approval of one new PAC member, and plan to tour paratransit vehicles.

State of Service Report | Quarter 3 Fiscal Year 2025 – Kate Christopherson, Acting Manager, Operations and Planning, noted statistics from the second quarter for the fiscal year, which included the following:

- Ridership increased 6.7 percent year-over-year
- On-time performance increased 0.7 percent year-over-year
- First quarter with hydrogen fuel cell buses in service and now incorporated in dashboard

Monthly State of Service Report | April 2025 and Update for March 2025 –

Ms. Christopherson provided the presentation that included the following information:

- March 2025 report updated with missing data and first month fully cover pre-pandemic ridership
- April 2025 average weekday ridership increased 7.4 percent and monthly ridership increased 7.2 percent
- Fixed route bus ridership reached 105.4 percent
- Ride Plus average weekday ridership increased 33.1 percent
- On-time performance (OTP) systemwide was 83 percent
- Did not operate (DNO) 19; 39 service calls with 17 from SamTrans operations and 22 from contracted services
- 13 preventable accidents, 11 from SamTrans and 2 from contracted services

The Board Members had a robust discussion and staff provided further clarification in response to the committee comments and questions, which included the following:

- Preventable accidents goals; monthly tracking metrics; annual workers compensation costs; District's strict definition of accidents as small collisions, such as bus mirror and object, rather than auto-to-auto;
- Contracted services initiated "drive cam" which is a camera system installed on buses to monitor and provide coaching; results show decreased accidents by contractors
- Board session to review accidents, tracking, workers compensation costs, and reduction of accidents and workers compensation

Finance Committee

Authorizing Execution of a Reimbursement Agreement for Peninsula Corridor Joint Powers Board to Pay its Share of Furnishings, Information, Communications and Technology (IT) Infrastructure, and Other Costs of Relocating to the Millbrae Headquarters – Joan Cassman, General Counsel, provided the presentation that included the following information:

- Agreement with Peninsula Corridor Joint Powers Board (JPB) for JPB to cover share of additional items costs related to move and occupation at Millbrae headquarters (HQ)
- Furniture, fixtures and equipment (FF&E) - easy costs to ascertain
- Information, communication, and technology (IT) infrastructure - more difficult to ascertain and parties have agreed upon a cost based on square footage
- Moving costs based on headcount
- JPB covers actual costs of artwork

The Board Members had a robust discussion and staff provided further clarification in response to the committee comments and questions, which included the following:

- Assuming the agreement is also approved by Caltrain at its board meeting tomorrow, the execution of agreement with JPB will ensure SamTrans continues the HQ work with no delay with respect to the FFEs
- Need better cost driver for IT infrastructure and costs than square footage going forward

Adopting Fiscal Years 2026 and 2027 Operating Budgets in the Amounts of \$323,717,266 and \$339,249,367, Respectively, and Fiscal Years 2026 and 2027 Capital Budgets in the Amounts of \$4,698,405 and \$5,704,151, Respectively

– Ladi Millard-Olmeda, Director, Budget and Financial Analysis, provided the presentation, which included the following:

- Proposed budget incorporates Board feedback from May meeting: reduce reliance on prior years' surpluses, develop contingency plan for potential loss of federal the Americans with Disabilities Act (ADA) funds
- Fiscal Year (FY) 2026/FY27 uses reduction efforts reduced FY26 proposed budget to \$329.2 million and FY27 proposed reduced to \$343.3 million
- Combined impact of cost reduction efforts and finalization of shuttle programs led to project FY26 surplus of \$4.9 million and FY27 deficit of \$4.4 million
- Strategic initiatives to be explored in FY26 and FY27

Legislative Committee

Receive Legislative Update and Approve Legislative Proposal: Senate Bill 239 (Arreguín), Assembly Bill 259 (Rubio), and Assembly Bill 810 (Irwin)

– Jessica Epstein, Director, Government and Community Affairs, provided the presentation that included the following information:

Federal

- May 22 Budget Bill reconciliation package passed House of Representatives and moves to Senate; cut taxes, increase military spending; cuts to Medicaid, Department of Health, Center for Disease Control, Department of Education
- Individual appropriation spending bills marking up and goal to get through all 12 by end of July

State:

- Governors May revisions released; deficit of \$12 billion in 2025-2026
- Spending reductions in the State Budget, delays in funding shifts, withdrawal of state rainy day fund
- \$1.5 billion funding for California Department of Forestry and Fire Protection (CAL FIRE); up to \$700 million in cuts to public transit funding in 2025-2026 and additional cuts in future years
- Programs relied on historically are on the table to be cut
- Potential cuts to the Low Carbon Transit Operations Program (LCTOP) where cuts could lead the District in losing \$2.5 million and the JPB in losing \$13 million

- \$2 billion funding request for transportation has been pushed aside, not in Governors May revise
- Increase in funding for California High Speed Rail and more discussion to advocate for potential of additional funds
- Assembly Bill (AB) 810 conversion to .gov; withdraw recommendation on a position as no longer active bill
- Senate Bill (SB) 239 teleconference for advisory bodies to utilize remote participation without posting home address or making available to the public; does not require a quorum
- AB 259 extension of sunset for AB 2449 to January 1, 2030

Ms. Epstein, Director continued the presentation with regional transit updates which included the following:

- SB 63 timeline: June 9 to July 18 heard in policy committees with August 11 deadline to opt in
- Key decisions for San Mateo County (SMC) to opt-in or not and to fund one or more transit agencies or programs and the funding level
- District is partner in Caltrain and have an obligation to fund Caltrain
- Ballot measure options for new regional measure and Measure A; funding levels for Caltrain obligation, San Mateo County Bay Area Rapid Transit (BART) contribution, Transit Transformation, San Francisco Municipal Transportation Agency (SFMTA), and SamTrans; and citing some cities' tax rates will be over 10 percent with SB63
- Current polling on transportation support, sales tax sensitivity, local versus regional decision making
- Third-party review of BART, Caltrain, San Francisco Municipal Transportation Agency (SFMTA), Alameda-Contra Costa Transit District (AC Transit), and Golden Gate Transit (GGT) study results
 - Labor drives expenses for all agencies
 - Annual shortfalls and cumulative deficits for AC Transit, BART, GGT, Caltrain, and SFMTA
 - Wage and labor levels are steady; increases in expenses; decrease of ridership levels; and decrease in state and federal funding
- Governance under discussion defining taxing "district", tax implementation, funding allocation, oversight
- MTC (Municipal Transportation Commission) Transit Transformation and Administration proposal to lead program and how to spend funds
- Accountability measure for independent third-party review, operators develop and report on improvement implementation plan, select committee establishment who review and approve the third-party review, and funds withholding for failure to comply with Regional Network Management (RNM) requirements
- Accountability does not include clear consequences for failure to comply or guaranteed representatives from counties providing funding on select committee

The Board Members had a robust discussion, and staff provided further clarification in response to the following Board comments and questions regarding the following:

- Changing from sales tax to gross receipt discussion
- Regardless of sales tax or gross receipt tax, if either does not pass the 2/3 threshold; will need to be a Citizens' Initiative
- Citizens' Initiative cannot exceed taxing authority; to allow exceeding taxing authority will need an enabling legislative by the SMCTA (San Mateo County Transportation Authority)
- Funding through reauthorization of Measure A as another option for San Mateo, but would likely decrease the amount of available for capital projects
- San Francisco International Airport (SFO) tax receipt contribution to San Mateo County
- Operators requirement to increase ridership, fare box, and funding
- District consistent contribution to Caltrain and the contribution of other partner agencies
- BART service in SMC, ridership patterns, SamTrans vehicle miles travelled (VMT) in San Francisco County, and MUNI VMT in SMC
- Regional funding is only available for SMC if SMC participates and funding is available for both Caltrain and BART
- Santa Clara County seriously looking at participating in the measure for funding for Caltrain and Santa Clara Valley Transportation Authority (VTA)
- Contribution by each county for BART; set amount or adjusted based on factors is up for negotiations; guarantees in exchange for additional funds, such as board seats or service levels, may need to be included in the amendment
- Concerns on accountability, ridership improvements, servicing communities
- Businesses pay gross receipt taxes

Strategic Planning, Development, and Sustainability Committee

Draft Fiscal Years 2026-2029 Capital Improvement Program and 10-Year Capital Program for Fiscal Years 2026-2035 – Chelsea Schultz, Manager, Strategic Planning, provided the presentation, which included the following:

- Capital Improvement Plan (CIP) is long-term planning tool that also informs budget process
- CIP projects ranked, prioritized, and grouped into six programmatic categories: transitioning to zero emissions fleet, enhancing service, maintaining state of good repair (SOGR), investing in our organization, improving customer experience, and striving for innovation
- Incorporated Board feedback includes:
 - \$40 million in Measure W unallocated funds set aside to establish capital reserve fund by reducing funds from zero emission buses (ZEB) programmatic category and funding during FY30-FY35 which will need to be addressed
 - SOGR remains top priority in CIP
- Projected funding sources and allocation of bond financing, formula funds, discretionary funds, unallocated district balances
- FY26-29 constrained CIP highlights of zero emission fleet replacement, fueling and charging infrastructures, operator restrooms, cybersecurity program, safety management system, Dumbarton Busway, artificial intelligence
- Remaining unfunded needs and supporting zero emissions fleet transition

The Board Members had a robust discussion and staff provided further clarification in response to the committee comments and questions, which included the following:

- Discuss the current state of our buildings current state, and to figure how best for the District to maintain them at a level desirable by the District
- Current plans and spending, plan for five years, how to reach goals, and how much cost for the District to reach goals
- Process for continuous projects prioritization, biannual review, grant funding opportunities
- Reserves and future funding challenges; use of reserves to supplement periodically or overall for all projects
- FY31 funding need higher compared to other fiscal year; big-ticket items include fleet replacement, sea level rise mitigation construction costs, and Dumbarton project construction costs
- Remaining 55 buses for fleet transition; will need to define technology for the 55 buses and support needed for those buses at the bases
- Consideration of recent federal administration factors into CIP
- SOGR prioritization: limited funding will be available for those priority projects
- New HQ included in FY25 capital budget; decommission current headquarters include building maintenance, and exploring options that include developing location, partnership with City, retain property and ground lease with developer

North Base Sea Level Rise Protection Project Update – Millie Tolleson, Director, Planning, and Bo Baney, Planning Administrator, provided the presentation, which included the following:

- Examine alternatives for feasibility: shoreline protection program and perimeter protection to North Base
- Perimeter protection alternative met seven of nine evaluation criteria and findings, and regional barrier alternative met two to three of the nine criteria
- Both alternatives deemed to be feasible
- Perimeter protection was better alternative for six criteria while regional barrier better alternative for two criteria

The Committee Members had a robust discussion and staff provided further clarification in response to the committee comments and questions, which included the following:

- Infrastructures tie-ins and continue work with regional partners; will tie into SFO sea wall at entrance way
- Cost sharing opportunities
- Begin negotiations with county to expand safe harbor and ask county to participate in alternative
- Design in phases for protection and setting priorities within the project
- Discussions with San Mateo County Flood and Sea Level Rise Resiliency District (OneShoreline); flood gate improvements; addressing vulnerabilities and phases to develop protections
- Work currently underway to address vulnerability of the causeway

- Staff working on phased approach and priorities while designing permanent solutions
- Ongoing conversations with partners to look for opportunities for regional protections

General Counsel Report

- Joan Cassman, General Counsel, announced VTA settled labor strike with Amalgamated Transit Union (ATU) and details forthcoming. Negotiated increases will not trigger District requirement to reopen labor agreement.

Closed Session: Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9(d)(1): Paul Ghenis v. San Mateo County Transit District, et al., Superior Court of California, County of San Mateo, Case No. 20-CIV-04138

- Ms. Cassman stated any action taken will be reported at the next regular SamTrans Board of Directors Meeting.