

**San Mateo County District (SamTrans) Board Liaison Report  
Meeting of July 2, 2025**

**Closed Session**

**Report Out from Closed Session at June 4, 2025 Board Meeting**

- **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 that there were no reportable actions.

**Closed Session: Conference with Legal Counsel - Initiation of litigation pursuant to Government Code section 54956.9(d)(4): 1 case**

The Board met in Closed Session to discuss the above item. Ms. Cassman stated that there were no reportable actions.

**SamTrans Board of Directors Received and Approved the Following Items**

- Approval of Minutes of the Board of Directors Meeting of June 4, 2025
- Accept Statement of Revenues and Expenses for the Period Ending May 31, 2025
- Adopting an Updated Safety-Sensitive Policy Concerning Substance Abuse
- Authorizing an Amendment to a Contract with Vintage Elevator Services, Inc. to Provide Elevator Test, Inspection and Maintenance Services to Increase the Total Not-to-Exceed Amount by \$250,000 and Extend the Term for Two Years
- Authorizing Exercise of an Option to Extend the Term of Agreement with the San Mateo County Sheriff's Office for Law Enforcement Services for Five Years at an Estimated Cost of \$11,585,704

**Report of the General Manager/CEO**

April Chan, General Manager/CEO, stated SamTrans participation in three local Pride events with over 30 staff in attendance.

**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:

- New wall framing completed. Mechanical, electrical, and plumbing work currently in progress. Construction submittals processed. Furniture, audio/visual, and power dimensions being verified
- Reviewed risk register items and mitigation efforts
- Non-tenant improvement general construction, also known as Day 2, anticipated to go to Board for approval in August 2025

**Community Relations Committee**

**Approve Appointment of James Ganner, Representing Bus Riders, to the Citizens Advisory Committee (CAC)** – Committee Chair Canepa stated the CAC Nominating Committee recommended James Ganner for appointment to the CAC.

**Accessible Services Update** – Tina Dubost, Manager, Accessible Services, shared an update on community and paratransit eligibility outreach efforts and stated July is Disability Pride Month.

**Citizens Advisory Committee Update** – Deferred.

**Paratransit Advisory Council (PAC) Update** – Ben McMullan, PAC Chair, stated that elections were held last month, with Ben McMullan re-appointed to Chair and Sandra Lang appointed to Vice Chair. PAC retreat to take place in October.

**Monthly State of Service Report | May 2025** – Millie Tolleson, Director, Planning, provided the presentation that included the following information:

- Average weekday ridership 4.4 percent increase for all SamTrans modes
- Ridership recovery exceeded 100 percent of pre-pandemic ridership
- RidePlus weekday ridership increased 38.6 percent
- On-time systemwide performance 81.8 percent
- Service calls and preventable accidents were above goal of one or fewer calls per 25,000 miles
- Seven scheduled buses did not operate (DNO)

**Finance Committee**

**Approving and Ratifying the Insurance Program for Fiscal Year 2026** – Marshall Rush, Administrator, Insurance and Claims, provided the presentation that included the following information:

- 18 percent anticipated increase in premiums due to the challenging insurance market, increased bus values (new electric and hydrogen fuel cell buses), increased flood insurance limits, and the inclusion of workers' compensation now directly budgeted (rather than through Third Party Administrator (TPA) contract)
- Liability coverage remains at \$99 million, with a \$3 million self-insured retention (SIR)
- Inclusion of expanded flood sublimit, increased coverage for high hazard zones
- Increased bus physical damage premiums from increased asset value; new electric buses carry higher deductibles
- Stability for other insurance types, with an 8 percent decrease in cyber liability premiums
- Maintenance of favorable risk profile, allowing preservation of low SIR and more control over premium costs

**Awarding Contracts to Trillium USA Company, LLC for (1) Design, Construction, and Commissioning of a Permanent Hydrogen Fueling Station for a Total Amount of \$17,365,635.39, and (2) Maintenance Services for a Not-to-Exceed Amount of \$1,696,358.16 for a Three-Year Base Term and Two One-Year Option Terms for an Additional Not-to-Exceed Amount of \$1,277,704.08** – Kevin Yin, Director, Contracts and Procurement, and Zhiming Fan, Director, Infrastructure and Capital Projects, provided the presentation that included the following information:

- Permanent hydrogen fueling station can fuel 10 existing fuel cell electric buses (FCEB); scalable up to 50 buses; 108 additional FCEBs on order
- Two-step solicitation process of Request for Qualifications (RFQu) and then Request for Proposals (RFP) to the pre-qualified firms

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

- Funding source and reimbursements; District fronts the funding needed for project and will later be reimbursed through Alliance for Renewable Clean Hydrogen Energy Systems (ARCHES). Staff reported out that there is a letter of no prejudice (LONP) in place allowing for pre-award spend authority.
- Contract flexibility to mitigate funding disruptions or unforeseen issues
- Alignment with SamTrans' zero emissions goal and long-term fleet modernization efforts

**Strategic Planning, Development, Sustainability Committee**

**Adopting the San Mateo County Transit District Fiscal Years 2026-2029 Capital Improvement Plan and Fiscal Years 2026-2035 10-Year Capital Program** – Millie Tolleson, Director, Planning, and Chelsea Schultz, Manager, Strategic Planning, provided the presentation that included the following information:

- Top investment interests: zero emission fleet transition, State of Good Repair (SOGR) projects (fleet replacement, maintenance facility upgrades), customer experience enhancements (bus stop improvements), and service expansion projects (Dumbarton Busway)
- New Capital Reserve Policy and Fund will be developed to support future project delivery and financial planning

**Introduction to the Bus Stop Improvement Project Amenity Design Refresh Project** – Chris Espiritu, Principal Planner, Planning, provided the presentation that included the following information:

- Modernization and standardization of bus stop amenities to improve rider experience, safety, accessibility, maintenance, branding, material consistency, enhanced visibility
- Upcoming continued stakeholder engagement and finalization of amenity concepts

Staff provided further clarification in response to the Board comments and questions, which included the following:

- Importance of uniformity across jurisdictions, efficiency in implementation, and prioritizing high traffic or underserved stops in the initial phases of roll out

### **Legislative Committee**

#### **Receive Legislative Update and Approve Legislative Proposal: Assembly Bill 476 (González)**

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

#### **Federal**

- Senate and House passed the One Big Beautiful Bill (OB BB)
- House continuation with the Fiscal Year (FY) 2026 Transportation, Housing, and Urban Development (T-HUD) spending bill, subcommittee markup scheduled for July 14<sup>th</sup> and full committee review scheduled for July 17<sup>th</sup>

#### **State**

- Significant budget deficit; affecting programs funded through cap-and-trade auction revenues in the Greenhouse Gas Reduction Fund
- Key transit programs under pressure include the Reconnecting Communities/Highways to Boulevards Pilot Program, Zero-Emission Transit Capital Program, and Senate Bill (SB) 125 Competitive Funds
- Advocacy from SamTrans and other agencies in coordination with the California Transit Association (CTA) - agreement to restore budget for greenhouse gas reduction funds and establish a \$750 million in emergency loan capacity for select Bay Area transit agencies; up to negotiation with Governor Gavin Newsom
- Assembly Bill (AB) 476 - address the growing problem of metal and copper wire theft from public infrastructure, requires junk dealers and recyclers to maintain more detailed transaction records and provide records to law enforcement

### **Receive Senate Bill 63 Update**

**San Mateo County Polling Updates** – Ms. Epstein and Sarah LaBatt, Senior Principal, EMC Research, provided the presentation that included the following:

- 2,400 countywide interviews conducted
- 80 percent of participants reported using public transit with 27 percent using public transportation at least once a month
- 60 percent of voters support a regional tax increase for local or regional transportation investments
- Two-thirds of voters supported the extension of Measure A without increasing the rate
- Over half of voters value high-quality roads and transit services at the expense of increasing taxes. Significant interest in enhanced transit connectivity across the region, road maintenance and pothole repairs, congestion relief
- Voters displayed indifference to the increases presented even if increased tax rates totaled at or above 10 percent
- Coastside voters expressed slight concern around cost and tax burden; sentiment remained directionally supportive

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

- Results suggested voters' support of transportation investments, if benefits are clear and tangible
- Favored extension of existing tax, significant drop-in support for slight tax increase; balancing ballot against tax threshold elasticity
- Support for Bay Area Rapid Transit (BART), as voters see transit as broader regional network rather than individual agencies
- Proportionality of surveyed sample based on geography and representation
- Cohesiveness of SMC residents' opinions; coastside voters showed slightly less support for increased taxes but not substantial difference from rest of SMC
- Influence from economic and political development on public

### **Presentations From Transit Agencies Seeking Senate Bill 63 Funding Regarding Their Fiscal Conditions**

Michelle Bouchard, Executive Director, Caltrain, and Casey Fromson, Chief of Staff, Caltrain, provided the presentation that included the following:

- Currently 30 percent of operating deficit from fares covered, 10 Year Strategic Plan projects \$75 million annual operating deficit unaccounted
- Ridership growth strategies: expansion of fare programs, regional coordination, customer experience, compensation for electrification
- One-time funding expected to run out FY27
- If regional measure fails, need to pursue new funding, aggressive cost reduction, service cuts, reduction in force

Julie Kirschbaum, Director of Transportation, San Francisco Municipal Transportation Agency (SFMTA), provided the presentation that included the following:

- 500,000 daily Muni trips, account for 50 percent of all Bay Area ridership
- Declining Muni funding sources; currently using federal and state emergency funding
- Implemented cost control strategies: over \$100 million reduction in staffing costs with minimal layoffs, conversion to self-pay garages, fare and parking price increases (to help bridge \$322 million budget gap), investments in cleanliness and reliability (70 percent decrease in subway breakdowns), increased fare inspection, anticipated Clipper 2 adoption
- Projected deficit \$322 million in FY26-27, growing with inflation
- 11 Muni routes in San Mateo County (SMC), 10 percent of SMC transit boardings

Caltrain and SFMTA provided further clarification in response to the Board comments and questions, which included the following:

- Decreased Caltrain ridership since COVID, appearing to have no operating deficit in FY25-26, then increasing to \$70 million in FY27 due to depletion of one-time funds by end of FY26
- Five SamTrans routes to San Francisco
- Approximately 3 percent of Muni riders from SMC, per Metropolitan Transportation Commission (MTC) study
- Prioritization and fund reallocation through Caltrain internal cuts to manage funding shortfalls

#### **Term Sheet Proposal on Caltrain Member Agencies Contributions - Discussion and Direction**

Ms. Chan provided the presentation that included the following:

- Term Sheet Proposal from JPB Ad Hoc Committee on Caltrain Member Agency Contributions, outlining the shared responsibility by the three Caltrain counties (San Mateo County, County of San Francisco, and Santa Clara County) for covering Caltrain's deficit
- The JPB Ad Hoc Committee proposal stated that the cost sharing should be distributed to the three member agencies using all day boarding formula, giving each county Measure RR credit, and having VTA pick up 100% of the fully allocated Gilroy costs.
- Ms. Chan reported that she met with the SamTrans ad hoc committee made up of Chair Gee, Vice Chair Chuang and Director Speier, and the Committee proposed an alternative that is anchored to the status quo that included the following components:
  - Deficit for Caltrain should be calculated by applying Measure RR funds first. Measure RR funds were approved as a systemwide funding source.
  - Cost of Gilroy will be proposed to be funded as a systemwide costs.
  - And the deficit will be distributed to the three counties by an all-day formula.
- Additional SamTrans drafted response: reserving all prior negotiating term positions of Joint Powers Authority (JPA), deficit shared with member agencies after Measure RR funds calculated

Staff provided further clarification in response to the Board comments and questions regarding the JPB Ad Hoc proposal, which included the following:

- Measure RR funding allocations
- Approval of term sheet by Five Board members before considering adoption; minimum one Board member per county
- Timeline: June 5 VTA Board deliberated proposed term sheet letter sent to JPB, July 2 SamTrans Board discussed the draft proposal and endorse a position which Ms. Chan will put in writing and transmit to the JPB Ad Hoc. July 23 Special JPB meeting has been scheduled by the JPB Board to consider proposal, August meetings across all agencies to accept proposal

### **Senate Bill 63 Opt In Decision - Discussion**

Ms. Epstein continued the presentation which included the following:

- SB 63 reviewed by Assembly Transportation Committee July 7; reviewed by Assembly Revenue and Taxation Committee July 14
- Opt-in at 1/4 or 1/2 cent amount, which agencies to fund and at what level
- If SamTrans Opts-out, then it will need to develop new plan for how SamTrans will fund Caltrain's \$32 million annual operating deficit for FY27-FY34 and beyond
  - Pros: Fastest emergency funds, protects Measure A, likely voter approval, preserve neighboring agencies
  - Cons: Raises tax rates in 2026, nine or eleven SMC cities will have sales tax over 10 percent
- 1/4 cent tax generates \$60 million
  - Pros: additional revenue, limit tax burden, cover Caltrain deficit
  - Cons: nine cities tax rates over 10 percent, no transit transformation fund, no return to source for SamTrans, limited BART and Muni support
- 1/2 cent tax generates \$120 million
  - Pros: independently fund Caltrain deficit, flexible return to source funds to District, contributions to BART and Muni protecting service reduction into SMC, best protects Measure A
  - Cons: limits local tax measure appetite, eleven cities tax rate over 10 percent, overreliance potential on 10 to 15 year measure
- SMC funding ranges: Caltrain \$32 million, BART \$25-32 million, Muni \$5-10 million, MTC \$9 million
- SMC rider transit system usage: SamTrans 10 million+, BART 3 million+, Caltrain 2.3 million, Muni 2.2 million
- Muni provides nine routes into SMC to/from Daly City
- Decisions made: July 30 City/County Association of Governments of San Mateo County (C/CAG) Board of Directors (BOD) Special Meeting and TA BOD Special Meeting, August 6 SamTrans BOD Meeting

Staff provided further clarification in response to Board comments and questions regarding the following:

- Other counties' contributions, for similar agencies, dependent on service and ridership
- Impact of sales tax on lower socioeconomic status communities, comparison of impact of gross receipts tax affecting 2.5 percent of Bay Area businesses
- Risk of commitment of funds to agencies with no board representation in return
- Risk of delay in attempt to change the tax associated with SB 63 from sales tax to gross receipts tax
- Necessity of final board decision to meet three elements: measure passing, filling the deficit, minimal litigation risk
- Accountability metrics that ensure funded services are maintained
- Polling results showing development of more support for BART and regional transit oversight over time

### **Report of the Chair**

#### **Convening Human Resources Ad Hoc Committee to Oversee Performance Evaluations of General Manager/Chief Executive Officer and General Counsel and Seeking Board's Delegation of Authority to Engage Evaluation Process Facilitator**

- Human Resources (HR) Ad Hoc Committee will have its meeting on July 8<sup>th</sup>. CHair Gee anticipates completion performance evaluation review for both GM/CEO and General Counsel by November 1, 2025
- Sought Board approval delegating Chair authority to engage a facilitator, and approval was received.