

**SAN MATEO COUNTY TRANSIT DISTRICT (DISTRICT)
1250 SAN CARLOS AVENUE, SAN CARLOS, CALIFORNIA**

**MINUTES OF BOARD OF DIRECTORS MEETING
FEBRUARY 1, 2017**

Board Members Present: J. Gee, C. Groom, K. Matsumoto, J. Powell, P. Ratto, C. Stone

Board Members Absent: R. Guilbault (Chair), Z. Kersteen-Tucker, D. Pine

Staff Present: J. Averill, B. Carson, J. Cassman, A. Chan, S. Gaffney, J. Hartnett, K. Kelly, M. Martinez, N. McKenna, S. Murphy, D. Olmeda, M. Simon, S. van Hoffen

Vice Chair Charles Stone called the meeting to order at 3:07 p.m.

CONSENT CALENDAR

- a. Approval of Minutes of Board of Directors Meeting of January 4, 2017
- b. Acceptance of Statement of Revenues and Expenses for December 2016
- c. Acceptance of Quarterly Investment Review and Fixed Income Market Review for the Period Ending December 31, 2016

Motion/Second: Gee/Groom

Ayes: Gee, Groom, Matsumoto, Powell, Ratto, Stone

Absent: Guilbault, Kersteen-Tucker, Pine

PUBLIC COMMENT

None

REPORT OF CHAIR

Vice Chair Stone said live streaming of the Board meeting is being tested for the next two months.

REPORT OF THE GENERAL MANAGER/CEO – J. Hartnett

Update on 2016 Employee Survey District Actions

Mark Simon, Chief of Staff, reported:

- Employee survey conducted March 2016 with a total of 384 responses.
- Five District actions were taken and two Human Resources (HR) actions
 - District Action #1 – Conduct Compensation and Benefits Study
 - District Action #2 – Create Rewards and Recognition Program
 - District Action #3 – Strengthen Inter-Departmental Collaboration
 - District Action #4 – Increase Employee Development Opportunities
 - District Action #5 – Improve Employee Communications and Feedback
 - HR Action #1 – Develop a Robust Onboarding Program
 - HR Action #2 – Develop a SamTrans Leaders Program

Jim Hartnett, General Manager/CEO, said a Town Hall was held on January 23 and live streamed to the bases. A significant amount of time was spent on the actions, along with vision and values of the agency. A mission doesn't get carried out without understood values – transparency, accountability, excellence and empathy. It is important to have empathy for colleagues across divisions and to understand what they do and what their needs are. Without empathy a person cannot provide help. It is also important to have empathy for customers to be able to best deliver the service they want and need. Empathy crosses a lot of boundaries. He continues to hold monthly *Talks with Jim* and meets new employees within a month of their start date to thank each person for choosing to work at the District. He asks what drew them to the District and their impressions since they arrived. Generally people come because of the public mission, exciting projects and the people. He feels that how a person initially feels about an organization is how it really is and how it will remain to be. The trick is to make sure five years later these people still have the same impression about the organization. That is why the District will continue to do employee surveys, monitor how things are going and develop action items as necessary.

Bill Carson, Director, HR, provided an update on staffing for the first six months of Fiscal Year (FY) 2017:

- 95 vacancies throughout the District out of a total of 767 positions
- 16 new hires
- 22 internal promotions
- 18 retirements
- 23 resignations
- Five terminations

Director Jeff Gee said in the labor agreement, a Mechanic Program was supposed to be launched and asked the status of the Program. David Olmeda, Chief Operating Officer, Bus, said the union representatives met last week with the maintenance team to define roles and responsibilities that had been laid out for the Apprentice Program. In order to launch the program there needs to be an appropriate level of employees in order to dedicate employees to an apprentice program.

Director Gee said maybe a partnership with the Community College District should be considered. Mr. Hartnett said there is a relationship with Skyline College.

Mr. Hartnett reported:

- Shannon Gaffney was recognized for stepping in as interim Chief Financial Officer.
- Kathleen Kelly, Interim Chief Financial Officer, was introduced. Ms. Kelly has extensive transportation experience having worked at Alameda-Contra Costa Transit (AC Transit), Bay Area Rapid Transit and San Francisco Municipal Transportation Agency (SFMTA).
- A pilot e-signing program developed by Contracts and Procurement staff is being tested.
- Maintenance department continued to exceed their monthly standards in December.

- Human capital investment continued in December with over 1,000 hours of training.
- The District hosted a 40-hour Transportation Safety Institute training. This is a Federal Transportation Agency-approved program.
- The training department now has four California Department of Motor Vehicles Certified Examiners for the employer-testing program. The advantage to having this is when new bus operators pass the program they can automatically get a Class B driver's license.
- Operations Planning have formed a team to audit fixed-route ridership to determine different reporting methods to analyze farebox data as well as developing a method for calculating fare revenue on a route level.
- Staff is preparing for relocation of the bus stop currently at 150 Folsom. The relocation will be done in two major phases. Phase 1 will be to relocate the layover/staging area to Beale Street near Bryant Street. In Phase 2 the bus stop will be moved to 201 Folsom Street. Critical details to be completed such as signage and curb painting will be completed by SFMTA and notice to riders will be completed by SamTrans. The move is expected to be completed in late February or early March 2017.

RECEIVE AND FILE THE COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDING JUNE 30, 2016

Director Carole Groom said the Audit Committee (Carole Groom, Jeff Gee and Rose Guilbault) met on January 25, 2017 with the Agency's auditors, Vavrinek, Trine, Day & Co., LLP. The audit is governed by Government Auditing Standards. In addition, the Government Accounting Standards Board (GASB) issues periodic pronouncements governing the presentation of information in the audit. There are no major content or format changes in the audit. The audit is a clean audit for the District and also for the required Federal and Transportation Development Act funding audits. There was a significant finding in the audit, which is less serious than a "material" finding. The auditors found that cash balances were not reconciled in a timely fashion, which led to the need for post-closing adjustments. Finance staff has met with the auditors to fully understand the finding and are putting in place procedures to resolve the issue in FY2016 and to make certain it does not happen again.

The financial statements show a reduction of \$153,202 to the District's assets (page 13) to reflect the removal of the figure previously included for the value of the extension of Bay Area Rapid Transit (BART) into San Mateo County from the District's books. This action is consistent with GASB Statement #51, which requires agencies to report only assets that the agency owns and controls and could ultimately liquidate. It is not clear what the figure represents and how it was originally calculated, but the BART extension project itself did not produce assets that meet the standards of GASB #51 for the District to report. This adjustment makes no material change to the assets of the District.

She said staff noted that there is a high level of receivables that the Peninsula Corridor Joint Powers Board (JPB) owes the District. This is due in large part to ongoing challenges with the financial system, which have slowed down the District's ability to seek reimbursement from granting agencies on behalf of the JPB. An initiative,

including outside consultant help, is underway to clear the backlog and to streamline future processes. Board members were pleased that the District has a relatively low unfunded pension liability. The Board members also had the opportunity to meet with audit staff without agency staff present.

Director Gee thanked Mr. Hartnett and staff for a very open, candid and productive meeting.

Motion/Second: Ratto/Gee

Ayes: Gee, Groom, Matsumoto, Powell, Ratto, Stone

Absent: Guilbault, Kersteen-Tucker, Pine

COMMUNITY RELATIONS COMMITTEE – P. Ratto

SUBJECTS DISCUSSED

- a. Accessibility Update
- b. Paratransit Coordinating Council
- c. Citizens Advisory Committee Update
- d. Mobility Management Report - Dashboard
- e. Multimodal Ridership Report – December 2016

FINANCE COMMITTEE – C. Groom

RESOLUTIONS

- a. Authorize Execution of Cooperative Agreements with the City/County Association of Governments to Receive Transportation Fund for Clean Air (TFCA) Funds for Eligible SamTrans Operating and Capital Budgets
- b. Authorize Execution of Cooperative Agreements with the Bay Area Air Quality Management District to Receive TFCA Funds for Eligible SamTrans Operating and Capital Projects
- c. Authorize up to \$1 Million in Additional Contracting Authority for Informational Technology Licenses, Maintenance Services and Professional Services for an Aggregate Not-to-Exceed Amount of \$1.85 Million for FY2017

Motion/Second: Groom/Gee

Ayes: Gee, Groom, Matsumoto, Powell, Ratto, Stone

Absent: Guilbault, Kersteen-Tucker, Pine

LEGISLATIVE COMMITTEE – K. Matsumoto

SUBJECT DISCUSSED

- a. State and Federal Legislative Update

PLANNING, DEVELOPMENT AND SUSTAINABILITY COMMITTEE – J. GEE

SUBJECTS DISCUSSED

- a. Update on Community Choice Energy and SamTrans Electricity Service

WRITTEN COMMUNICATIONS

No discussion.

BOARD MEMBER REQUESTS/COMMENTS

Director Gee wished everyone a Happy Chinese New Year and said there will be a celebration on February 11 at 11 a.m. in Redwood City.

Director Gee said he serves as the JPB representative on the Transbay Joint Powers Board and the new Transbay facility will open in December for service and the AC Transit will be the major tenant.

Director Gee thanked Vice Chair Stone for competing in the Mr. Redwood City/San Mateo County fundraiser.

Director Karyl Matsumoto said at the last South San Francisco City Council meeting they approved a partnership with Scoop technology which is a carpool application.

REPORT OF LEGAL COUNSEL

No report.

DATE AND TIME OF NEXT REGULAR MEETING – March 1, 2017, at 2 p.m., San Mateo County Transit District, Administrative Building, 1250 San Carlos Avenue, San Carlos, CA 94070.

The meeting was adjourned in memory of Redwood City Police Officer Gerardo Silva, who died of natural causes while on duty.

Adjourned at 3:46 p.m.