

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

**MINUTES OF SPECIAL BOARD OF DIRECTORS MEETING
Mavericks Event Center
107 Broadway Avenue, Half Moon Bay
OCTOBER 23, 2017**

Board Members Present: J. Gee, R. Guilbault (Chair), Z. Kersteen-Tucker, K. Matsumoto, D. Pine, J. Powell, P. Ratto, C. Stone

Absent: C. Groom

Staff Present: R. Arnold, M. Beveridge, M. Bouchard, J. Cassman, A. Chan, C. Fromson, C. Gumpal, D. Hansel, J. Hartnett, M. Martinez, C. Mau, L. Millard, S. Murphy, D. Olmeda, M. Simon, S. VanHoffen

Chair Rose Guilbault called the meeting to order at 9:08 a.m.

WELCOME/OVERVIEW

Chair Rose Guilbault said General Manager/ CEO Jim Hartnett has been a good mobility leader and has accomplished a great deal since he has taken office. It is important to hire the right people to strengthen and create a strong foundation for our organization and he has done so by hiring the new Chief Financial Officer and Deputy CEO. She said this is a critical path for moving the organization forward.

Jim Hartnett said San Mateo County Transit District (District) has made the difference in providing transportation needs locally and regionally. The District has made investments along the way in conjunction with the Transportation Authority to make positive transformations. He said we have to alter the way we do business and adapt to a changing market to continue to be relevant.

PUBLIC COMMENT

None.

PRESENTATION BASELINE BUDGETING

Mr. Derek Hansel, Chief Financial Officer, presented the Baseline Operating Budgeting method for Fiscal Year (FY) 2018. This will provide for greater transparency and accountability. He said the Executive Team and Directors sign off on the concepts and communicate it with the organization and the Budget Team develops the process, coordinates and manages the overall efforts. Cost Center Managers will use a template to document functional purpose of the cost center. The Manager and/or Division Chief will review the templates before submitting them to Budgets. The goal is to develop the proposed FY2019 operating budget books for the May Board meeting.

Board members had questions about the how often the Operating Budget reports would be generated and if the numbers reflect the proposed initiatives. Staff promptly

responded so long as the numbers were kept pure in the “Roll forward” this report can be prepared yearly and completed for all three agencies. A Board Member said this is an item that likely requires an Ad-Hoc Committee. It was also clarified SamTrans does not budget with the assumption the ballot measures will pass.

UPDATE ON GET US MOVING SAN MATEO COUNTY

Mr. Seamus Murphy, Chief Officer of Communications presented on the Get Us Moving San Mateo County program. He said the SamTrans budget is unsustainable. Staff recommends that the November 2018 ballot be targeted for the measure and outreach/education activities are underway with that timeframe in mind. New service demands are being requested from the private sector, communities and counties require more services and we need to connect counties with express bus services. The Technical Advisory Group and a Stakeholder Advisory Group have been formed to help identify the needs, goals and priorities. Staff is planning on public engagements to promote the program.

The process: Identify Goals and Policies that will govern the expenditure plan; set criteria by which portions of the plan will meet the goals and policies; a call for projects to be included in the plan; draft and approval of the expenditure plan.

The Board will need to decide what an Expenditure Plan should look like. Board members were concerned people will think this draft concept document is the actual Expenditure Plan. It was recommended adding Customer Experience to the draft concept.

There was a consensus made among Board members that SamTrans remain the contractual managing agency for Caltrain.

THE CHANGING MARKETPLACE: UPGRADING TRANSIT FOR THE 21ST CENTURY

Mr. Daniel Sperling, UC Davis, was in attendance to provided options and ideas as to what SamTrans can do in order to survive and/or thrive within the next five to ten years. Current transportation agencies have been atrophying and starving for resources for a long time and at the same time they are going through a period of very low innovation. Mr. Sperling has been focusing on vehicle technology he identifies as the three revolutions of transportation:

- 1) Revolution of electrification at an early stage, but every car company is committed to this option in a major way
- 2) Revolution of share mobility
- 3) Revolution of automation – it is unclear if this will manifest itself in individual ownership, which will not resolve congestion challenges

Revolutions of transportation will happen and it is only a matter of time cars, shared mobility service and transit systems are all electrical and automated. Transit operators will see a rapid change and will see a declining in ridership, if no response is taken. Gasoline prices are unlikely to go up significantly, vehicles are more efficient and there

is the demand of electrical vehicles. This will place the transit system in distress. Transit routes are the easiest to automate of all applications because they run on fixed schedules and everything needs to be mapped out and programmed; this will be a large cost reduction. It is important to put the measures into the ballot. Transit runs the risk of losing public support because it is going to be a political challenge unless transit works on a message to convey to the public as to what are SamTrans future goals. SamTrans needs to change its business format and think differently in order to survive the upcoming sector changes.

Transit needs to do what it does best:

- Providing service in dense corridors
- Shedding some of the high cost routes which passed for political reasons
 - Reality - it is expensive
- Figure out how to partner and collaborate with private companies to provide the routes with lower densities
 - Ridership can be increased
 - Cheaper way to provide services
- Providing subsidies for lower ridership routes (Paratransit, medical appointments)
 - There is a huge need and SamTrans needs to think more expansive
- Opportunities are there and SamTrans needs to be creative; we need to experiment where we can; there is a huge need out there

Board members and staff see the opportunity to expand into other areas such as the medical industry and senior mobility services within San Mateo County.

SAMTRANS BUSINESS PLAN: REINVENTING SAMTRANS IN A CHANGING MARKETPLACE

Mr. Mark Simon, Chief of Staff, provided a framework for the future and a summary of goals. The agency existing and external conditions were reviewed. Three initiatives were reviewed:

- Operational
- Organizational
- Financial

Board members and staff discussed opportunities and ways SamTrans can evolve in order to continue to be relevant in the marketplace.

Russell Arnold, Director, Marketing and Communications said the Mobile Ticketing application is a cost-effective solution that brings efficiency to the way ticketing is processed.

Adjourned at 1:34 PM