

# SamTrans Board Liaison Report

Meeting of November 1, 2023

## Board Received/Actions

- Legal Counsel noted there was a closed session at the October 4 Board meeting on threat to public services or facilities and that there were no reportable actions
- Approved the Minutes of the Board of Directors Meeting of October 4, 2023
- Accepted the Statement of Revenues and Expenses for the Period Ending September 30, 2023
- Accepted the Quarterly Investment Report and Fixed Income Market Review and Outlook
- Accepted the Capital Projects Quarterly Status Report for 1<sup>st</sup> Quarter Fiscal Year 2024
- Awarded a Contract for Insurance Brokerage Services
- Approved a Proclamation Honoring National Native American Heritage Month
- Awarded a Contract to Model 1 Commercial Vehicles, Inc. for the Purchase and Delivery of 21 2023 MobilityTrans 350EL Paratransit Vehicles for a Total Not-to-exceed Amount of \$2,595,145 and Authorizing the Disposition of 21 2015 El Dorado AeroTech Paratransit Cutaway Vehicles
- Awarded a Contract to MV Transportation, Inc. to Provide Contracted Urban Bus Services for a Five-year Term for a Total Not-to-exceed Amount of \$151,236,512, Authorizing up to Two Additional Option Years for an Additional Not-to-exceed Amount of \$65,849,394, and Amending the Fiscal Years 2024 and 2025 Operating Budgets to \$270,186,894 and \$281,865,060, Respectively
- Approved a Motion for a Call for Public Hearing on Proposed Fare Structure Changes

## Board Highlights

April Chan, General Manager/CEO, said that September bus ridership is 85.7 percent of pre-pandemic numbers, showing a strong recovery. She said regarding Ride Plus microtransit service, the average number of trips for the month of September is over 92 and was 109 for October. She said they are still working out the technical issues to get Clipper readers on microtransit vehicles, so the District will continue to offer free rides on Ride Plus through the end of the calendar year, December 31, 2023.

Ms. Chan said the bus schedules will be adjusted to improve on-time performance starting November 5. She said they would roll -out additional Reimagine SamTrans changes in February and June of next year. In response to Board questions about ridership recovery, David Olmeda, Chief Operating Officer, Bus, said they track ridership regardless of whether fares are collected on the buses and that third-party contractors are required to capture ridership data as part of their contracts.

## Finance Committee

*CFO Report for Fiscal Year 2023, Quarter 1 of Fiscal Year 2024, and Outlook for Fiscal Years 2024 and 2025* - Kate Jordan Steiner, Chief Financial Officer, provided the presentation. Director David Canepa asked what she projected as a financial weakness or concern and Ms. Jordan Steiner responded the volatility of sales tax revenues. Director Canepa asked what they generate in sales tax annually. Ms. Chan said it averaged \$105 million. Director Canepa asked what decline they were projecting. Ms. Jordan Steiner said they needed to wait a few more cycles to provide an update. Director Canepa said there are challenges regarding the benefits of paying down pension liabilities. Director Brooks Esser asked about operating expenses, fuel, and electricity costs. Connie Mobley-Ritter, Director, Treasury, said the purpose of the fuel hedge is to have a stable fuel budget in the face of fluctuating fuel prices.

*Award of Contract for Contracted Urban Bus Services and Amendment of Fiscal Years 2024 and 2025 Operating Budgets to \$270,186,894 and \$281,865,060, Respectively* – Mr. Olmeda provided the presentation and commended staff and legal counsel for their participation. Director Canepa asked how MV Transportation was as an operator. Mr. Olmeda said that MV has demonstrated a willingness to work together with SamTrans over the years of their contract. Canepa remarked on the increase in indemnity insurance. She said it was deemed appropriate to ask MV to provide their own liability insurance up to the first \$5 million. Mr. Olmeda introduced Kevin Klika, President, and Chief Operating Officer, MV Transportation, who provided a history of MV’s 20-year partnership with SamTrans. Director Ray Mueller asked if there were service reductions in the contract, and Mr. Olmeda said no. He added that DNOs (Did Not Operate) have been drastically reduced over the last few years. Chair Josh Powell said he was pleased the Mr. Klika had addressed the reduction of DNOs. Director Esser asked if bringing all operators in house had been considered. Mr. Olmeda said they had considered it, but there are challenges with absorbing services in light of hiring challenges. Committee Chair Jeff Gee suggested that the District acquire the land for operating the CUB service to ensure we can be more competitive in terms of getting more contractors to be interested in the contract.

### **Strategic Planning, Development, and Sustainability Committee**

*Call for Public Hearing on Proposed Fare Structure Changes* - Bruce Thompson, Manager, Fare Program Operations, provided the presentation. Director Brooks Esser asked how Youth Unlimited passes are distributed. Mr. Thompson said they are distributed by schools to provide to students who qualify for free or reduced lunch. Director Esser suggested making a Youth Unlimited pass available for all students during the Summer. Ms. Chan said staff is requesting Board feedback on all the fare items presented today prior to bringing this item back to the Board for adoption in December. Director Marie Chuang said the transfer discounts offered may not be sufficient to entice customers, and maybe it would be more preferable to have a smooth transition between transit systems in order to attract riders. Ms. Chan said the transfer discount idea was for riders to have a smooth transition using the Clipper card. Vice Chair Marina Fraser asked about the Youth Unlimited pass. Mr. Thompson said it allowed students to ride SamTrans for free, but the passes are distributed by the schools. She asked how open payment worked. Mr. Thompson said it indicated tapping one’s credit card on the Clipper reader to deduct the fare. He said open payments are charged at the adult prices. Director Jeff Gee said that Clipper 2.0 is making it easier to use multiple transit systems. Committee Member Peter Ratto said that Clipper 2.0 took a very long time to be implemented. He said having an accumulator helps riders to take advantage of fare discounts without having to buy a monthly pass. Director Chuang said having open payment is also advantageous to visitors from outside the US. Committee Chair David Canepa suggested focusing on the benefits of Bay Pass.

### **Legislative Committee**

*State and Federal Legislative Update* - Jessica Epstein, Manager, Government and Community Affairs, provided an update on recent federal and state legislation, which included the following:

- At the federal level, Mike Johnson was elected the new Speaker of the House, the Senate had passed a minibus, which is a sub-selection of bills, and the current CR runs out on November 17 and one more CR may need to be enacted.
- At the state level, the Governor has until October 14 to act on any bills and the Legislature will be returning to Sacramento on January 3. One of the bills to be addressed at that time is Assembly Bill (AB) 817, a Brown Act bill that would allow committees to meet remotely.

**Closed Session** - There was a closed session with real property negotiators. Joan Cassman, Legal Counsel, said no reportable action was expected and that a report-out would be provided at the next Board meeting.