

AGENDA ITEM # 9
MAY 7, 2015

**Summary of San Mateo County Transit District's (District)
Liaison Report – Meeting of May 6, 2015**

The Community Relations Committee and Board

Designated May as "Older Americans Month." The proclamation was accepted by Sandra Lang, a member of the San Mateo County Commission on Aging.

The winners of the Annual Student "Art Takes a Bus Ride" Contest were announced:

- First Grade – Emilia Lee, Central Elementary
- Second Grade – Elena Kwank, Foster City Elementary
- Third Grade – Mikko Sit, Immaculate Heart of Mary
- Fourth Grade – Sophia Bai, Encinal Elementary
- Fifth Grade – Julia Goudey, Encinal Elementary
- Sixth Grade – Elise Wallow, Tierra Linda Middle School

Tina Dubost, Manager, Accessible Transit Services, said last month staff did an outreach at Community Gatepath, which serves adults with disabilities. A bus was brought to the event and staff explained the accessibility features.

Mike Levinson, Paratransit Coordinating Council (PCC) Chair, said the PCC held their appreciation party on April 14. The PCC is continuing to work on education presentations and the next presentation is on May 20. Mr. Levinson said the California Department of Transportation has developed new rules for reasonable modification and accommodating people with disabilities.

Kathy Gilbert, Vice Chair, Citizens Advisory Committee (CAC), said the CAC welcomed two new members, Barbara Hasten from San Mateo and Annette Merriman from El Granada. The CAC received a presentation on the fixed-route Americans with Disabilities Act program.

Average Weekday Ridership – March 2015 Compared to March 2014

Bus: 45,120, an increase of 3.9 percent

All modes: 115,640, an increase of 4.7 percent

The Finance Committee and Board

Accepted the Statement of Revenues and Expenses for March 2015.

Accepted the Quarterly Investment Report and Fixed Income Report for the Quarter Ended March 31, 2015.

Authorized Entering into a Funding Agreement with the City/County Association of Governments of San Mateo County to Receive \$1.4 Million in Measure M Funds.

Authorized Award of Contract to Vavrinek, Trine, Day & Co., to Provide Financial Audit Services for a Firm-Fixed Price of \$329,720 for a Five-Year Term and Additional Audit Services Not-to-Exceed \$200,000.

**Summary of San Mateo County Transit District's (District)
Liaison Report – Meeting of May 6, 2015**

Authorized Entering into an Agreement with the County of San Mateo for Law Enforcement and Related Communications Services for a Total Estimated Not-to-Exceed Amount of \$3,373,023 for a Three-Year Term.

Authorized Adoption of the Revised Fuel Hedging Policy and Award of Contract to Orrick, Herrington & Sutcliffe LLP to Serve as Special Counsel in Connection with the Fiscal Year 2016 Fuel Hedging Program for a Not-to-Exceed Fee of \$150,000.

Authorized Award of Contract on an Emergency Basis to Technology, Engineering & Construction for an Emergency Replacement of the Oil/Water Separator at North Base for a Not-to-Exceed Amount of \$480,000 with an Option Not-to-Exceed \$250,000.

Received the Preliminary Fiscal Year 2016 Operating Budget (attached).

Received the Preliminary Fiscal Year 2016 Capital Budget (attached).

The Legislative Committee and Board

The governor will be releasing his May revised budget on May 14. Staff will be paying close attention to the Cap and Trade funding that was assumed in the January budget. Staff has been speaking with the governor's staff on how they propose the funds be used.

Authorization for surface transportation funding expires at the end of the month. The likelihood is an extension will be granted and the question is for how long. The most likely outcome is through the end of July, which is the length of time Congress can extend funding without requiring additional revenue. There is enough revenue in the current program to support that length of time. For anything beyond July, supplemental funds will have to come from the General Fund or potential other revenue sources such as mileage based-user fee at the Federal level or repatriation of offshore tax receipts.

The Board of Directors

Held a public hearing to consider possible changes to the Codified Tariff. Proposed change is to extend the Day Pass reduced fare until a new Codified Tariff is approved in early 2016. The Board will take action on this item at its June 3 meeting.

The Chair appointed a committee of Directors Zoe Kersteen-Tucker, Karyl Matsumoto, and Adrienne Tissier to collect input from the Board and work with staff to develop the agenda for the upcoming Board workshop in September.

Jim Hartnett, General Manager/CEO, reported:

- Coffee with Jim has been set-up with employees from different departments.
- Has had over 85 meetings in his first month including with the union leaders and the offices of Congresswomen Anna Eshoo and Jackie Speier.
- Accepted the position of co-chair of the Grand Boulevard Initiative.

**Summary of San Mateo County Transit District's (District)
Liaison Report – Meeting of May 6, 2015**

- Recently spoke at the State of the County and also was on a panel at the Progress Seminar related to housing and wages in San Mateo County.
- Participated with the C3 Coalition to meet with key leaders on transportation leaders in Sacramento.
- Other activities include budget preparation, evaluating and providing leadership on major projects at the District, positive train control and Caltrain Modernization.
- The Peninsula Corridor Joint Powers Board will have a workshop on May 20 from 9 a.m. to 12 noon to discuss level boarding and electric vehicles.
- Reached out to Director Jeff Gee, chair of the Board's ad-hoc Audit Committee to set-up a meeting for them to meet with the new financial auditors.
- Fixed-routes averaged 27,879 miles between service calls in March and there have only been 18 service calls in over 500,000 miles.
- There was over 1,000 hours of training in March.
- Sutter Hospital nurses had a one-day strike on April 30 and Redi-Wheels provided service without disruption.

Legal Counsel reported:

- No action taken on the litigation matters of (1) Parking Company of America vs. SamTrans, the JPB, and the Alliance or (2) Ling La vs. San Mateo County Transit District.
- Mr. Hartnett and the Board discussed in closed session performance goals and there was no reportable action taken.

The next meeting of the Board is scheduled for Wednesday, June 3, 2015 at 2 p.m.

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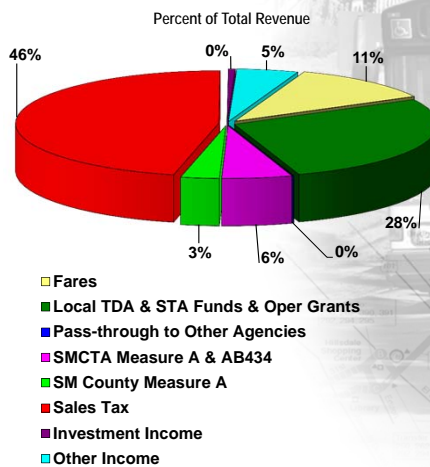
Preliminary FY2016 Operating Budget

Board of Directors
May 6, 2016
Finance Agenda Item #10

Revenues – FY2016 Preliminary Budget (in millions)

samTrans

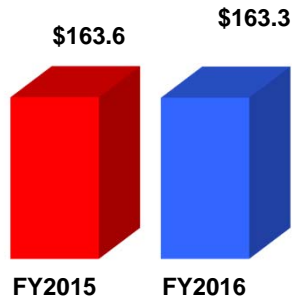
Fares	\$19.0
Local TDA & STA Funds, Operating Grants & AB434	45.2
Pass-through to Other Agencies	0.1
SMCTA Measure A	9.1
SM County Measure A	5.0
District Sales Tax	76.0
Investment Interest	0.9
Other Income	<u>8.0</u>
Total Revenues	\$163.3



Revenue Increase/(Decrease)

(in millions)

samTrans



Fares	\$0.6
Local TDA & STA Funds, Operating Grants & AB434	(2.6)
Pass-through	(0.3)
District Sales Tax	1.0
Other Income	<u>1.0</u>
Total	(\$0.3)

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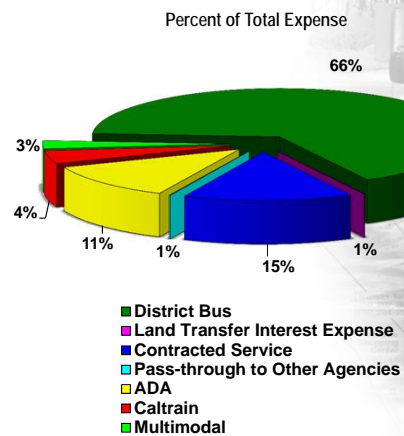
Preliminary Operating Expenses

(in millions)

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Motor Bus

District-operated	\$92.1
Contracted Service	20.2
ADA	16.7
Caltrain	6.1
Multimodal	3.8
Pass-through to Other Agencies	0.1
Land Transfer	<u>0.1</u>
Total	\$139.1

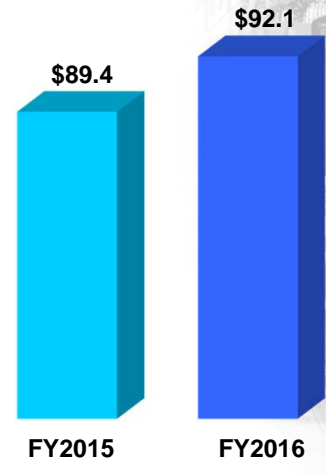


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District-operated Bus Expenses Increase/(Decrease) (in millions)



Wages & Benefits	\$1.6
Contracted Vehicle Maintenance	(0.1)
Professional Services	(0.4)
Technical Services	0.3
Other Services	0.5
Utilities	<u>0.8</u>
Total	\$2.7

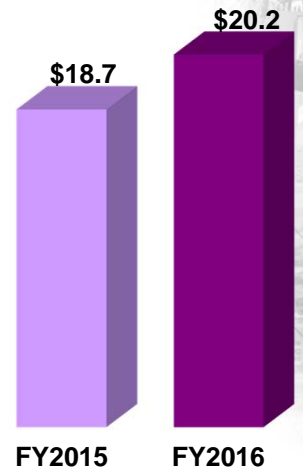


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Contracted Service Expenses Increase / (Decrease) (in millions)



Contracted Urban Bus Service	\$1.2
Coastside Services	0.2
Other Related Costs	<u>0.1</u>
Total	\$1.5



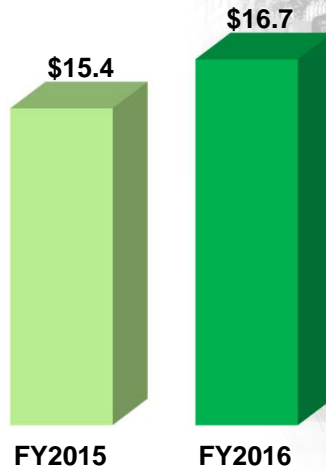
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ADA Program Expenses

Increase / (Decrease) (in millions)

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Elderly & Disabled/Redi-Wheel	\$0.5
Other Related Costs	0.1
ADA Accessibility Support	0.5
Coastside ADA Support	<u>0.2</u>
Total	\$1.3



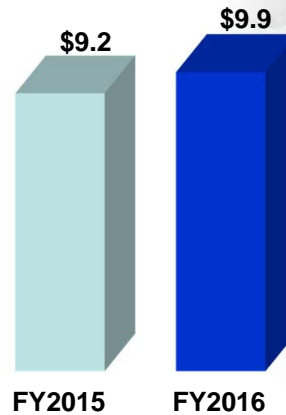
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Multimodal Transit Program Expenses

Increase / (Decrease) (in millions)

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Caltrain	\$(0.2)
Other Multimodal Programs	<u>0.9</u>
Total	\$0.7



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Preliminary FY2016 Operating Budget (in millions)

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Total Revenues	\$163.3
Total Expenses	(139.1)
Sales Tax Allocation – Capital	<u>(5.5)</u>
Operating Surplus	18.7
Debt Service Requirement*	<u>(21.7)</u>
Total Uses of Reserves	<u>(\$3.0)</u>

*(Debt Service for BART - \$12.7 million)

*(Refinanced the debt for an annual savings of \$2.8m)

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Strategic Plan Implementation

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Strategic Plan 2015-2019 adopted in December 2014

- Identified five goals for five years
- FY2016 budget has a number of items in it to further the goals of the Strategic Plan

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Increase weekday ridership by 15%

- Efforts to maintain service levels by filling vacant operator and mechanics positions
- Mechanics apprenticeship program
- Build on these activities to growth ridership through the continued implementation of the SSP

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Increase Fixed-Route Fare Revenue by 20%

- The efforts to increase ridership should lead to increased revenue as well
- Plan in FY2016 to seek public input on a major revision to fare policies and practices, with a goal of simplifying and and therefore increasing use
- Planned fare increases

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Reduce Annual Debt Service by \$1.5 million

- In April 2015, SamTrans finalized the reissuance of its debt, resulting in a savings of \$2.8 million annually

Improve Organizational Performance

- Support to improve internal communications
- New position focused on a wide range of employee professional development
- Funding to conduct a benchmark survey of employee satisfaction and attitudes

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Manage workforce change

- Efforts undertaken under improving organizational performance also support this
- Ongoing resources to support HR recruitments
- An employee compensation study to ensure that current and prospective employees compensation consistent with the market

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Issues and Opportunities

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- Significant steps have been taken in the past few years to reduce costs, undertake efficiencies and enhance services and revenues
- FY2016 budget builds upon this base with thoughtful expenses and prudent revenue assumptions
- The refinancing of the debt resulted in annual savings of \$2.8 million
- Use of \$3.0 million in reserves to balance the FY2016 budget – represents 1.8% of total budget

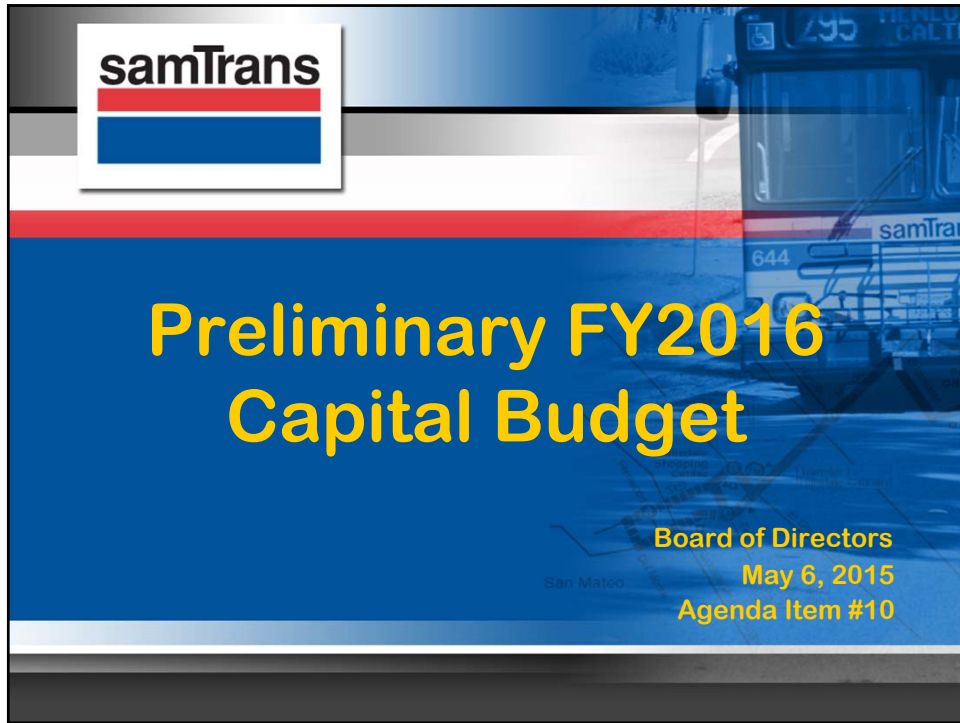

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Issues and Opportunities Cont.

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- Looking ahead five years, with the FY2016 preliminary budget as the base, SamTrans continues to face a structural deficit
- These range from \$3.0 million up to \$8.1 million back down to \$6 million in FY2020

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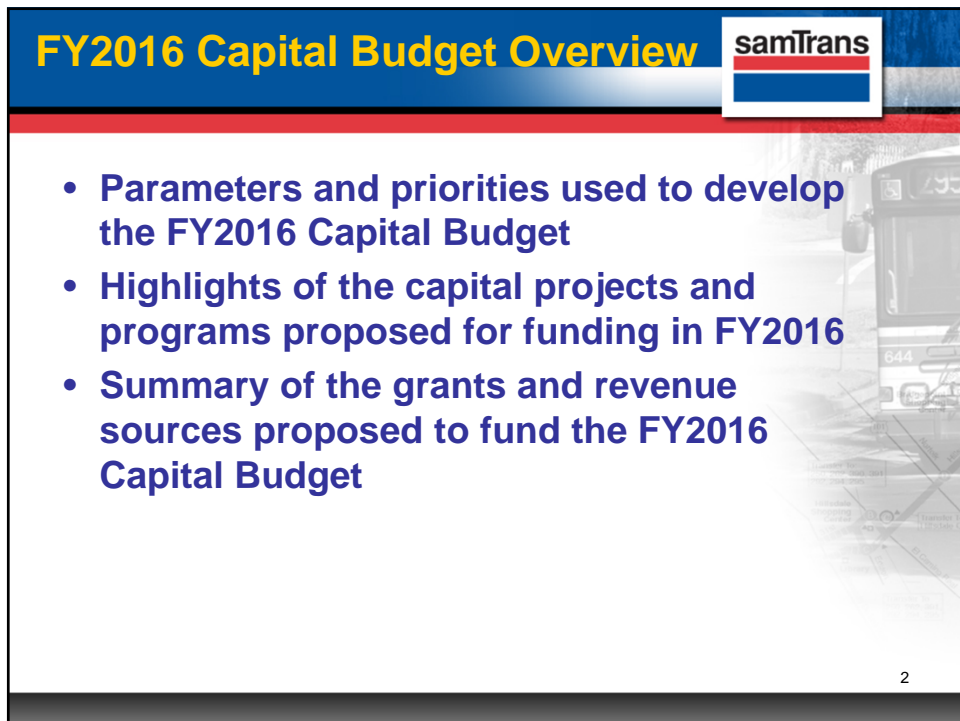



Preliminary FY2016 Capital Budget

Board of Directors
May 6, 2015
Agenda Item #10

San Mateo

FY2016 Capital Budget Overview



- Parameters and priorities used to develop the FY2016 Capital Budget
- Highlights of the capital projects and programs proposed for funding in FY2016
- Summary of the grants and revenue sources proposed to fund the FY2016 Capital Budget

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FY2016 Capital Budget Overview



Parameters and Priorities:

- Sustains District's existing service and infrastructure network, including the necessary replacement of revenue vehicles and other capital assets
- Ensures operating and maintenance facilities are maintained in a state of good repair
- Invests in facility and equipment improvements to provide a safe and secure environment for customers and employees

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Category Highlights



Revenue Vehicles Replacement: \$35.3 million

- Replace 60 2003 Gillig Low Floor buses and 55 2002 North American Bus Industries buses; vehicles are at the end of their useful lives
- Replace 10 2011 Paratransit Minivans and 9 2009 Paratransit Cutaways; vehicles are at the end of their useful lives

Revenue Vehicles Support: \$1.4 million

- Procure bus parts, engines and transmissions
- Replace support vehicles
- Upgrades bike rack capacity from 2 bikes to 3 per bus

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Category Highlights



Information Technology: \$1.8 million

- Replace and upgrade information technology equipment, servers and software applications
- Replace the existing TransitSafe software system which will become obsolete
- Enhance the existing Fixed-Route Mobile View Video Surveillance System to allow for real time surveillance

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Category Highlights



Development: \$0.6 million

- Evaluate and study the current youth market in support of the Strategic Plan
- Develop, support and monitor the District's capital program

Facilities: \$1.2 million

- Facility improvement and rehabilitation of the District's maintenance and administrative facilities designed to support revenue service operations

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Category Highlights




Safety and Security: \$1.8 million

- Security improvements to maintain a safe and secure environment for transit operations and customers



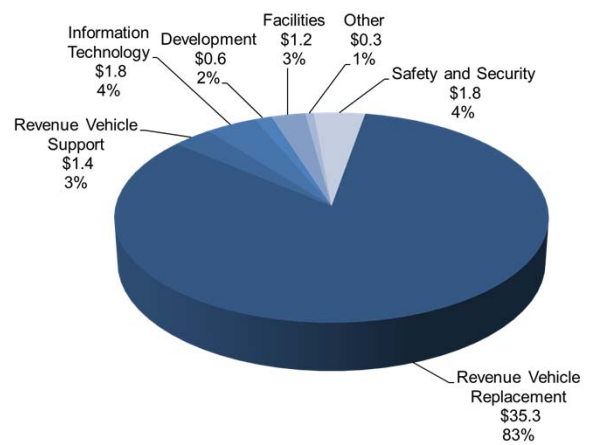
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Funding Summary




Proposed Budget by Category

Total Budget: \$42.4M



Category	Amount	Percentage
Revenue Vehicle Replacement	\$35.3	83%
Information Technology	\$1.8	4%
Safety and Security	\$1.8	4%
Revenue Vehicle Support	\$1.4	3%
Facilities	\$1.2	3%
Development	\$0.6	2%
Other	\$0.3	1%



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