

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

**MINUTES OF FINANCE COMMITTEE MEETING /
COMMITTEE OF THE WHOLE
MAY 5, 2021**

Committee Members Present: J. Powell (Committee Chair), J. Gee, R. Guilbault

Committee Members Absent: None

Other Board Members Present Constituting Committee of the Whole: M. Fraser, R. Medina, D. Pine, P. Ratto, C. Stone

Other Board Members Absent: Groom

Staff Present: C. Mau, J. Cassman, D. Olmeda, A. Chan, J. Brook, D. Seamans

1. CALL TO ORDER

Committee Chair Josh Powell called the meeting to order at 2:55 pm.

2. APPROVAL OF MINUTES OF COMMITTEE MEETING OF APRIL 7, 2021

3. AWARD OF CONTRACT FOR DUMBARTON RAIL CORRIDOR PROGRAM CONSULTANT SUPPORT SERVICES

Kevin Yin, Director, Contracts and Procurement, provided the staff report.

Public Comment:

Roland said he felt that the region would eventually need to step in to administer the program.

The Committee approved the minutes and contract in one motion.

Motion/Second: Powell/Stone

Ayes: Fraser, Gee, Guilbault, Medina, Pine, Powell, Ratto, Stone

Noes: None

Absent: Groom

4. FINANCIAL RESERVE POLICY

Derek Hansel, Chief Financial Officer, provided the presentation.

Chair Charles Stone asked what the District's current actions are. Mr. Hansel said the District is setting aside reserves specifically for corporate purposes.

Committee Member Jeff Gee asked about the difference between having two months versus three months of operating reserves. Mr. Hansel said a minimum of two months' reserve is recommended by the Government Finance Officers Association. Committee Member Gee asked if there was fungibility between the two reserves. Mr. Hansel said

the operating reserve could be tapped at any point, subject to just the general appropriation limits that are provided by the Board. He said that the sales tax stabilization reserve is intended to only be drawn upon during the annual budgeting process or to the extent that draws on a mid-year basis are either approved preemptively or ratified by the Board during that process.

Director Rico Medina said that the return to “normal” has taken longer than anticipated; he said he leaned toward having three months’ worth of reserve. Vice Chair Peter Ratto said that he agreed. Director Marina Fraser said she also leaned toward three months. Committee Member Rose Guilbault said she would be supportive of three months.

Committee Chair Powell asked if there would have been a different outcome if they had had these reserves in place at the start of the pandemic. Mr. Hansel said the adoption of Measure W and the federal government support has buoyed the District through the pandemic.

Carter Mau, Acting General Manager/CEO, said that there may not be additional operating recovery funding coming in the future, so it was important to spend wisely.

Committee Chair Powell asked if three months’ of reserve was sufficient. Mr. Hansel said the District’s expenses are not overly volatile and that the greatest volatility on the revenue side is sales taxes.

5. PRELIMINARY FISCAL YEAR 2022 OPERATING AND CAPITAL BUDGETS

Mr. Hansel provided the presentation.

Chair Stone asked if the District was planning any capital contributions to the JPB. Mr. Hansel said no and noted that it was decided at the JPB Finance Committee that there would be no reliance on inter-agency funding for either operations or capital.

Committee Member Gee said regarding no capital contributions from SamTrans’ budget to Caltrain could end up costing organizations more in the future.

Committee Chair Powell said he was surprised that there were no capital contributions from the three member agencies, as had been the tradition.

Public Comment:

Roland summarized his comments at the recent JPB Finance Committee meeting.

Committee Chair Powell said he supported SamTrans continuing to contribute to JPB.

6. ADJOURN

The meeting adjourned at 3:45 pm.

An audio/video recording of this meeting is available online at www.samtrans.com. Questions may be referred to the District Secretary’s office by phone at 650-508-6242 or by email to board@samtrans.com.