

**San Mateo County Transit District (District)
1250 San Carlos Avenue, San Carlos, California**

**Minutes of Finance Committee Meeting /
Committee of the Whole**

May 3, 2023

Committee Members Present: J. Gee (Committee Chair), M. Chuang, M. Fraser

Committee Members Absent: None

Other Board Members Present Constituting Committee of the Whole: D. Canepa, R. Medina, R. Mueller, J. Powell, P. Ratto

Other Board Members Absent: None

Staff Present: A. Chan, D. Olmeda, J. Cassman, S. van Hoften, J. Brook, D. Seamans

9.b.1. Call to Order

Committee Chair Jeff Gee called the meeting to order at 2:36 pm.

9.b.2. Approval of Minutes of the Finance Committee Meeting of April 5, 2023

Motion/Second: Fraser/Powell

Ayes: Canepa, Chuang, Fraser, Gee, Medina, Mueller, Powell, Ratto

Noes: None

Absent: None

9.b.3. Award of Contract for On-call Construction Management Services for Battery Electric Bus, Hydrogen Fuel Cell Electric Bus, and Bus Facility Infrastructure Projects

Kevin Yin, Director of Contracts and Procurement, presented the staff report and provided background on the procurement process, noting that the District received one proposal.

Committee Chair Gee asked why there was only one proposal. Mr. Yin said it was because the market has been busy and saturated with work. He also noted that the vendor's submittal was responsive and it possesses the requisite experience and qualifications to perform the services under the contract.

Motion/Second: Canepa/Chuang

Ayes: Canepa, Chuang, Fraser, Gee, Medina, Mueller, Powell, Ratto

Noes: None

Absent: None

Liria Larano, Deputy Chief, Bus Fleet and Facilities, noted that she would present Items 9.b.4, 9.b.5, and 9.b.6 together because they are all related.

9.b.4. Increase the Budget for the Hydrogen Fuel Cell Electric Bus (FCEB) Infrastructure Project by \$4,008,474, and Amend to Increase the Fiscal Year 2022-23 Capital Budget by a Corresponding Amount for a New Total Budget of \$40,093,146

9.b.5. Award of Contract for Interim Hydrogen Fueling Services

9.b.6. Award of Contract for the North Base Facility Modifications for FCEBs

Ms. Larano provided the presentation, which included the purpose for the budget increase to fund the two contracts for interim hydrogen fueling services and a construction contract to modify the facility at North Base. She said this would increase the current budget of the project, which is \$300,000, by just over \$4 million, for a new total project budget of approximately \$4.3 million. She explained the two-step process for to procure the contract with Plug Power for interim hydrogen fueling services and the contract with RMS Construction for modifying the North Base maintenance facility to accommodate hydrogen fuel cell electric buses (FCEBs).

Director Chuang asked if staff would report back to the Board on the progress or the pros and cons along the way. Ms. Larano said they would keep the Board updated on the progress of the work and the reasons for decisions to extend the contracts.

David Olmeda, Chief Operating Office, Bus, said the temporary facility allows SamTrans to have the FCEBs and revenue service and there is a formal design process for the permanent facility.

Chair Powell said he was concerned about the single sources for all the contracts. Ms. Larano said they had done significant outreach for all the contracts. Chair Powell asked what happens if one supplier cannot complete the work. Ms. Larano said the suppliers have been thoroughly vetted to do the work.

Committee Chair Gee asked if the District was capped on the price, which Ms. Larano confirmed.

Public Comment:

Aleta Dupree noted the importance of the origin of hydrogen production.

Roland said fuel consumption should match the manufacturer's recommendations.

Items 9.b.4, 9.6.5, and 9.b.6 were taken together in one motion:

Motion/Second: Chuang/Medina

Ayes: Canepa, Chuang, Fraser, Gee, Medina, Mueller, Powell, Ratto

Noes: None

Absent: None

9.b.7. Approve Establishment of an Account in the California Employers' Pension Prefunding Trust Program

Kathleen Kelly, Interim Chief Financial Officer, introduced Doug Pryor, Actuary, Bartel Associates, LLC, and they provided the presentation, which included background information, benefits, scenarios, a comparison of CalPERS (California Public Employees' Retirement System) and PARS (Public Agency Retirement Services) pension trusts, and the staff recommendation.

Chair Josh Powell asked about the benefits of an irrevocable trust versus a revocable trust. Mr. Pryor said a revocable trust would be subject to the investment requirements of the District.

Committee Member Marie Chuang asked what happens if you do not use the irrevocable 115 trust. Mr. Pryor said then the money could be used for other purposes rather than for benefits.

Committee Chair Gee asked how soon the District wants to get to zero. He concurred that he wanted to do it quickly. Director David Canepa asked if Mr. Pryor could speak to the rationale of targeting a lower percentage than 100. Mr. Pryor said there is a danger of getting overfunded and suggested targeting 100 percent. He said that putting money into a 115 trust avoids the problem of being overfunded. Director Canepa asked if the money had to go to CalPERS. Mr. Pryor said their expenses were higher with the other trust options that were explored.

Ms. Kelly said the District wanted to avoid reducing service in order to pay retirement benefits.

Director Rico Medina said he liked the flexibility of the 115 trust.

Chair Powell asked if there was a difference in return for CalPERS versus PARS, and Ms. Kelly said the difference was negligible.

Motion/Second: Medina/Chuang

Ayes: Canepa, Chuang, Fraser, Gee, Medina, Mueller, Powell, Ratto

Noes: None

Absent: None

9.b.8. Preliminary Operating and Capital Budgets for Fiscal Years 2024 and 2025

Ladi Millard-Olmeda, Director, Budgets and Financial Analysis, provided the presentation.

9.b.9. Adjourn

The meeting adjourned at 4:01 pm.

An audio/video recording of this meeting is available online at <https://www.samtrans.com/about-samtrans/video-board-directors-cac-and-measure-w-coc>. Questions may be referred to the District Secretary's office by phone at 650-508-6242 or by email to board@samtrans.com.